

WSBURY
465715
LEOPOLD FARMER & SONS
Estate Agents & Valuers
COMMERCIAL AND INDUSTRIAL PROPERTY,
PLANT & MACHINERY
15 JOHN STREET WCIN 2E5
01-404 5871

THE LIBRARY - THE UNIVERSITY OF JORDAN

FINANCIAL TIMES

No. 26,696

Thursday June 19 1975

**10p

The world's most
expensive
twist suiting cloth
SCOTLAND
Reid & Taylor

CONTINENTAL SELLING PRICES: AUSTRIA Sch.53; BELGIUM Fr.20; DENMARK Kr.3.75; FRANCE Fr.2.35; GERMANY DM1.75; ITALY L.50; NETHERLANDS Fl.1.50; NORWAY Nkr.7.50; PORTUGAL Esc.15.00; SPAIN Ptas.30; SWEDEN Kr.2.50; SWITZERLAND Fr.1.50.

NEWS SUMMARY

GENERAL

Rees's Bill to curb terror

Procedures for arresting and detaining terrorists in Northern Ireland are changed fundamentally by a Bill published yesterday by Mr. Merlyn Rees, the Minister Secretary.

The major purpose of the Bill, which had its First Reading yesterday and will have its Second next week, is to speed detention procedures while giving suspected people greater safeguards once they are arrested.

Two new offences have been created to strengthen the fight against terrorism. All disguises are outlawed, and wearing a hood or mask in a public place "without good reason" will be an offence. It will be illegal to recruit for a proscribed organization or to give or receive instruction in making arms or explosives.

Arms haul safe

The Army confirmed yesterday that the arms stolen from an Ulster Defence Regiment armoury at Magherafelt on Monday had been recovered from a "arm effluent pit". They included over 100 rifles, and pistols, sub-machine guns and a machine gun.

Prince dies for Faisal's murder

Prince Faisal bin Musaed, 27, was publicly beheaded in Riyadh yesterday for the murder of King Faisal, his uncle, whom he shot on March 25. The execution was a few hours after the announcement of sentence, but thousands watched it. Page 8

Envoy shot dead

Mali's Ambassador to Belgium, Mr. Alioune Sissoko, was murdered in his office in Brussels. His secretary said the Ambassador's chauffeur followed him in, shot him and then shot himself dead.

MPs' pay snag

Lord Boyle's report backing rises in MPs' pay and allowances may not be published for some time because Mr. Wilson has not yet had time to study it.

Uganda trial

The trial resumed in Uganda of British businessman Stanley Simoni, charged with hoarding which can carry the death penalty.

Lucan pictures

The Press Council rejected a complaint about publicity given Lord Lucan's children in a Daily Express picture after his disappearance in the wake of the Lucan nanny murder case.

Breast cancer aid

Dr. David Owen, Minister of State, Health, said large-scale trials were planned to screen women for breast cancer in order to consider advantages of forming a national screening service. Hospital doctors have been asked to help double the number of kidneys available for transplant operations.

Smoking dogs free

Two "smoking beagles", the dogs given cigarettes to smoke for lung-cancer research, were "rescued" from the ICI laboratories at Alderly Park, Cheshire, by a group of animal-lovers. ICI said it had reported the matter to the police.

Cricket grumble

Captains Mike Denness (England) and Ian Chappell (Australia) criticised the Headingley pitch for "uneven bounces" after Australia put England out for 98, and won their Prudential Cup semi-final by scoring 94 for 6. At the Oval, West Indies, chasing New Zealand's 152, won with 159 for 5. Trevor Bailey, Page 10

CHIEF PRICE CHANGES

Prices in pence unless otherwise indicated.	
Treasury 3 1/2 % 79-81	570 + 3
British 4 1/2 % 80-81	182 + 8
Caledonia Inv.	152 + 4
Dennis (James H.)	27 + 0
Engineering (A.)	112 + 6
Hall Engineering	173 + 6
Marshall	82 + 4
Sealed Motor	43 + 3
Sheffield Twist	91 + 3
Sanley (B.)	142 + 4
Unicomb	98 + 8
Weyburn Engineering	221 + 17
Bishopgate Phil.	106 + 6
Blyvoor	970 + 30
Great Boulder	82 + 10
West Dr.	249 + 12
FALIS:	
Anderson Strathclyde	142 - 5

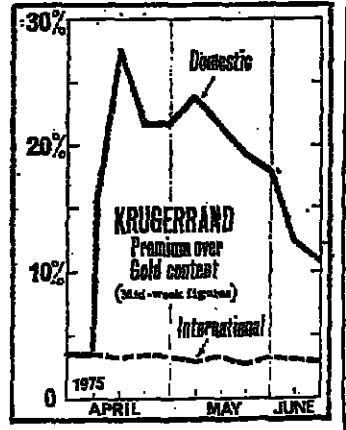
BUSINESS

Equities fall 4.6: £ up 10 points

● EQUITIES drifted down ahead of the outcome of the rail pay talks. FT 30-share index closed at the day's low, with a fall of 4.6 to 326.0—a loss of 14.6 over the past three trading days. Gold Mines Index was up 8.7 at 378.7.

● GILTS eased a shade in shorts, with medium and long following suit. Government Securities Index was unchanged at 58.09.

● GOLD was down 5¢ at \$164. The Kruggerand fell further. Premium over gold content in domestic business was cut to 10½.



per cent. (12½). A fall of 1½ to 179½ brought the gain to its lowest for several weeks.

● STERLING weighted fall narrowed to 26.3 per cent. (26.5) against the dollar rose 10 points to \$2.274½. Yen's weighted loss increased to 2.3 per cent. (4.38).

● WALL STREET was off 0.78 at \$27.83, turnover of 15.5m. shares (19.4m.).

U.S. deficit cut to \$475m.

● U.S. BASIC balance of payments showed a record swing from \$1.6bn. deficit in the last quarter of 1974 to a \$475m. deficit in the first quarter of this year. Back Page

● JAPANESE motor industry will reject any proposals for a voluntary control of its exports to the U.K., but plans to invite British motor industry leaders to Tokyo for talks on "mutual problems." Page 4

● CBI Director-General Mr. Campbell Adamson, 52, is to resign next year. He has held the post since 1968. Back Page

● ICI shut down its biggest manufacturing complex because of a pay strike and warned that virtually all the company's operations could be halted within weeks unless the dispute is settled. Back Page

● FORD DAGENHAM car output resumes next Monday after the two-month doorhangers' dispute was settled. The compromise was accepted by the men on the strength of a steward's casting vote. Page 12

● SCOTTISH miners lined up with the AUEW by rejecting the social contract at their annual conference in Inverness. Page 12

● FIRST oil extracted from the U.K. sector of the North Sea came ashore at BP's Isle of Grain refinery. Page 10

COMPANIES

● GUINNESS SON and Co. pre-tax profits were £11m. (£10.1m.) for the 24 weeks to March 15, on turnover of £140.6m. (£113m.). Page 25 and Lex

● WHITBREAD pre-tax profit was down to £1.45m. (£26.16m.) for the year to March 1, on turnover of £839.7m. (£285.1m.). Page 25 and Lex

● TESCO STORES (Holdings) pre-tax profits fell to £3.25m. (£24.56m.) in the year to February 22, on net sales of £500.7m. (£423.03m.). Page 24

Wage rates jumped 3½% in May, up 32% in 12 months

BY WILLIAM KEEGAN, ECONOMICS CORRESPONDENT

The Government's search for a revised incomes policy was given added urgency yesterday by the publication of statistics by the Department of Employment showing that wage rates in the U.K. jumped 3½ per cent. during May, bringing the increase in the past 12 months to 32.6 per cent.

Three-quarters of the increase in the wages index was accounted for by the first stage of the new engineering workers' pay agreement—the last stage of the previous one having boosted the March index.

At the same time, the index for April has been revised upwards by 0.4 per cent., reflecting the delayed 30 per cent. pay settlement for electricity manual workers and power engineers.

The indices for both April and May are certain to be revised upwards again later. One of the ironies of the present wage situation is that, as long as wage disputes like the railwayman's claim are not settled, their effect on the index is delayed.

While wage rates and pay claims and settlements continue in the 30 per cent. region, there are signs of some slowing down in average earnings, as take-home pay is affected by reduced overtime and the spread of short-time working in industry.

The annual rate of increase in the seasonally adjusted index of average earnings has been 18.3 per cent. and 26.1 per cent. during the last three months and six months respectively, and in April—the latest calculation available—the earnings index rose only 1 per cent.

It could be a mistake to place too much emphasis on these figures, however. The sharp increase in wage rates during May will have boosted the earnings

wage and unemployment figures under the point repeatedly made by Ministers that, after a period of slower monetary growth, the pursuit of high wage settlements can only exacerbate the upward trend of unemployment.

Following the 56,800 jump in the number of wholly unemployed (seasonally adjusted)

in May, figures to be published by the Department of Employment later to-day are expected to show a similar trend.

While Mr. Healey, the Chancellor, waits to see what sort of incomes policy the TUC can offer, official sources point out that even a flat rate increase of £10 being suggested by "moderate" trade unionists is incompatible with the official target of halving the rate of inflation within 12 months.

Current calculations point to a limit on flat rate increases nearer to £6 if that target is to be reached. This, of course, depends on a number of assumptions, which include that the effect would not be offset by shorter hours and longer holidays.

While the Government is braced for a series of very large year-on-year increases in retail prices during the coming months—simply from what is known about costs in the pipeline—it appears to be somewhat embarrassed by criticism that halving the rate of inflation is not enough.

It is now being suggested in Whitehall that the aim is to reduce the rate of increase in the retail price index to 10 per cent. by September, 1976, and single figures by the end of 1976. Wages and prices table, Page 9.

Scots miners tough line Page 12

Why the social contract should die Page 23

Why the social contract should die Page 23

Why the social contract should die Page 23

Why the social contract should die Page 23

Why the social contract should die Page 23

Why the social contract should die Page 23

Why the social contract should die Page 23

Why the social contract should die Page 23

Why the social contract should die Page 23

Why the social contract should die Page 23

Why the social contract should die Page 23

New rail pay offer expected to-day

By Roy Rogers, Labour Correspondent

TALKS to try to avert the national rail strike threatened from Sunday night will resume to-day. They were adjourned yesterday evening, without the British Railways Board improving on the 27.7 per cent. tribunal pay award.

Last night Mr. Sidney Weighell, general secretary of the National Union of Railwaymen, said he was optimistic that a new offer would be made to-day, but warned that the strike would go ahead if it proved unacceptable.

BR's main object at yesterday's meeting was to discover whether the NUR—the only union to reject the tribunal offer—was prepared to accept something less than its full claim of increases between 30 and 35 per cent., weighted in favour of the lower paid.

The Board, when it meets this morning, will no doubt be heartened by Mr. Weighell's declaration, made to Mr. Bert Farrimond, the BR industrial relations member, and later to the Press, that he was "here to negotiate a solution—Fon will not and me inflexible."

So, after both sides have been sizing up each other yesterday, the scene is set for real bargaining to-day, when the BR Board will be back in its familiar role of trying to keep all three rail unions happy. The Associated Society of Locomotive Engineers and Firemen and the Transport Salaried Staffs' Association, while accepting the tribunal offer, have indicated that they will expect to share any additional money that results from the NUR strike threat.

The NUR is seeking to improve the offer as far as it relates to the lowest grade railmen who now stand to receive only £2.65 a week "new money," plus consolidation of strength at the week-end when men are now counting their guns.

Seems clear after Copcon's show of strength at the week-end when it set up road-blocks around the country, ostensibly to catch firemen who mysteriously managed to break into an army barracks whether to throw in their lot with the Copcon union or to join the Communist Party's own "Red Army" is evidence that it really does not know which path to burn.

By 8.30 a.m. to-day workers had occupied the offices of the

Lisbon tense: parties face crucial test

BY JANE BERGEROL

LISBON, June 18

COPCON SECURITY forces to-day backed workers occupying the Republic newspaper and refused to accede to the editor's conditions for reopening the paper, while the Supreme Revolutionary Council entered its sixth day of agonising decision on where Portugal's revolution should go next.

Tension in Lisbon and across the country was running high as the Supreme Revolutionary Council met again to-day in the continuing struggle for power between anti-party officers, led by General Otelo Salgueiro, and pro-party council members, thought still to be in a narrow majority.

Copcon's display of muscle over the past week has frightened many into thinking the parties' time is now up: Copcon officers have given General Otelo a mandate which he has presented to the Supreme Council, and it reportedly demands an end to the Constituent Assembly, an end to the fourth coalition, straight-forward military rule and the removal of the scheme to set up Revolutionary Workers' Councils.

These would by-pass the parties to create direct links between the people and the Armed Forces Movement, and lead, according to extreme Left ideologues, to the formation of a "new government" to control the country.

It is no accident that in the midst of these upheavals, the first military town council in the country, in Oporto, to-day announced it would be holding its meetings at night to allow the participation of the council of the assembly, while a Communist Party council committee statement said it was "new government" to control the country.

The Communist-led statement said it was "new government" to control the country, while a Communist Party council committee statement said it was "new government" to control the country.

By 8.30 a.m. to-day workers had occupied the offices of the

By 8.30 a.m. to-day workers had occupied the offices of the

By 8.30 a.m. to-day workers had occupied the offices of the

By 8.30 a.m. to-day workers had occupied the offices of the

By 8.30 a.m. to-day workers had occupied the offices of the

By 8.30 a.m. to-day workers had occupied the offices of the

By 8.30 a.m. to-day workers had occupied the offices of the

By 8.30 a.m. to-day workers had occupied the offices of the

By 8.30 a.m. to-day workers had occupied the offices of the

By 8.30 a.m. to-day workers had occupied the offices of the

By 8.30 a.m. to-day workers had occupied the offices of the

By 8.30 a.m. to-day workers had occupied the offices of the

By 8.30 a.m. to-day workers had occupied the offices of the

By 8.30 a.m. to-day workers had occupied the offices of the

By 8.30 a.m. to-day workers had occupied the offices of the

By 8.30 a.m. to-day workers had occupied the offices of the

By 8.30 a.m. to-day workers had occupied the offices of the

By 8.30 a.m. to-day workers had occupied the offices of the

By 8.30 a.m. to-day workers had occupied the offices of the

By 8.30 a.m. to-day workers had occupied the offices of the

By 8.30 a.m. to-day workers had occupied the offices of the

By 8.30 a.m. to-day workers had occupied the offices of the

By 8.30 a.m. to-day workers had occupied the offices of the

By 8.30 a.m. to-day workers had occupied the offices of the

By 8.30 a.m. to-day workers had occupied the offices of the

By 8.30 a.m. to-day workers had occupied the offices of the

By 8.30 a.m. to-day workers had occupied the offices of the

2

LOMBARD

Floating rates—the non-panacea

BY C. GORDON TETHER

THE FACT that the floating rate system is proving itself to be anything but the panacea for international payments malaise that its proponents cracked it up to be is at last coming to be recognised. And not a moment too soon. For as Dr. Emminger—the vice-president of Germany's central bank—was recently pointing out, the evils that it has helped to encourage have now got the world so much in a grip that hopes are rapidly fading of securing relief from them in the only way open to us—through a concerted move back to a stable and orderly international monetary setup.

It is claimed for the floating rate system that its general use during the past two years has put an end to the recurrent exchange upheavals which were a feature of the closing years of the fixed rates regime. But, while that cannot itself be denied, it also has to be said that it is about the only thing of substance that on the record can still be said in its favour. Certainly, its widespread adoption has done nothing to solve the basic problems arising from international payments disequilibrium that was represented to be its main capability.

Because almost every country that has embraced the system has been quickly forced to recognise that "clean floating"—supposedly the acme of perfection for this mode of international payments life—is for all practical purposes out of the question, extensive official intervention has been the rule. The result, as the head of the Bank for International Settlements has stated, is that flexible rates have actually proved to be more costly to manage than the fixed ones they replaced.

Cancelled out

Moreover, instead of bringing about the scheduled shifts in trade and payments patterns that would eliminate chronic surpluses and deficits, they have tended to make matters worse. The appreciation-proneness of the D-Mark has turned the German surplus into an even bigger bugbear for the rest of the world than it was already. Similarly, the persistent depreciation of the £ has made the British gap harder to close—it having been impossible in the present world environment to expand the volume of U.K. exports fast enough to cancel out the constant erosion of foreign exchange earnings from existing trade.

And while the floating rates fashion has thus failed to promote smooth basic readjustment, it has provided scope for violent day-to-day fluctuations in exchange rates totally unrelated

to the behaviour of purchasing power relationships. Witness the big swings in the value of the dollar—first one way and then the other—in relation to Continental currencies during the past two years. In doing so, the system, has obviously operated as a powerful brake on the flow of desirable trade and payments.

The Governor of the Belgian central bank put the matter in correct perspective when he pointed out earlier this week that the pronounced fluctuations in exchange rates which have taken the place of the former crises conceal major capital movements and must in the long run "pervert the adjustment process".

If we remember that the spread of floating currencies has facilitated the massive new capital outflows from the U.S. that have given the global inflation problem a much more explosive character—and thereby helped to precipitate the world into its first major recession since World War II—it is evident that this formerly much-vaunted innovation has much to answer for.

First thing

The French clearly have right on their side when they say—and thank goodness that someone has found the courage to risk saying so in Washington by talking frankly about these matters—that, if we really want to get the world back on an even keel, the first thing we must do is to organise a return to the system of fixed but adjustable parities.

The trouble is, unhappily, that thanks in no small measure to the powerful spur given to international financial permissiveness by two years of floating rates—the world situation is now so badly extended in many directions that this is much more easily said than done.

Dr. Emminger of the German central bank may have been going too far when he declared recently that the existence of the dollar overhang and of the Euro-currency market and the heavy influence of dollar capital flows made it "inevitable that floating must remain the basic monetary system for the foreseeable future". But the obstacles lie present to the restoration of a stable monetary system are obviously formidable.

Where, however, there is a will there is a way. And that will should be forthcoming. We remember that, if these disruptive forces are allowed to continue to dominate the scene for much longer, the threat to our civilisation posed by monetary turbulence may well pass beyond the point of no return.

RACING

Consol likely to yield a profit

BY DOMINIC WIGAN

PROVERB, who came with a powerful late surge nearly enabling him to snatch last year's Ascot Gold Cup from Ragstone, may well go one better in the corresponding event to-day.

Willie Carson's mount, the 1974 winner of the Paradise Stakes, the Goodwood Cup (for second year runners) and the Doncaster Cup, gave every indication when making his seasonal debut in Sandown's two miles Henry II Stakes on May 27, that he would be extremely difficult to contain in this event, the centrepiece of the Royal meeting.

Looking distinctly backward compared to his six rivals, Proverb did particularly well on May 27 finishing only four lengths adrift of the two principals, Zab and Grandiose, after taking some time to get into his rhythm.

With the benefit of that outing behind him and an additional half mile to travel I shall be surprised if Proverb is unable to turn the tables on Zab and Grandiose. A greater threat seems likely to be the favourite, Rogero, having given Lester Pigott a sixth Gold Cup success. However, the French four-year-old is at his best with plenty of give underfoot, and Proverb may be too fast for him under to-day's conditions.

In the opening event of the afternoon the Cork and Orrery Stakes (2.30), many backers are likely to have trouble deciding between Steel Heart and Paris Review. The first-named staked his claim to consideration for the champion sprinter's title when outpacing Midsomer Star in the Duke of York Stakes last month and a reproduction of that form

record in the Norfolk Stakes (2.05). Mr. David Robinson's chestnut colt followed up a facile Newmarket victory over Brave Panther by decisively dealing with the speedy Music Boy at York in a fast time for the conditions on May 13, and I shall be surprised if there is anything in opposition here capable of matching strides with him.

At the end of last week Pat Eddery commented that he regarded Consol in the King Edward VII (4.20) as his best chance of the meeting, and I fully expect this much-improved colt by Reliance II out of Grandpa's Legacy to confirm his rider's high opinion of him.

Consol won two of his four races as a juvenile, found no difficulty in making almost all the running to defeat Hurry Harriet in The Curragh's Royal Whip Stakes on May 16, and he appears to have less, if anything, to do here.

Whatever his fate at Ascot, Eddery seems sure to tighten his grip on the jockeys' championship today, for he has been booked for several promising-looking mounts from Frank Carr's stable at Hamilton's evening meeting. Open Doors, Captain's Wings, Never Never and Onward Toubaine can give Eddery a four-timer at the Scottish track. Captain's Wings appears as a safe proposition.

Thirty-five minutes after the Cork and Orrery it will come as a shock to almost all if Royal Boy fails to retain his unbeaten

will probably enable him to give 7 lbs to course winner Paris Review, a three-lengths runner-up to Zab in Sandown's Temple Stakes three weeks ago.

At Christie's, Greek and Russian icons fetched £37,800, with a top price of £750 for an icon of the Virgin of Spolyansk. An 18th century central Russian Old Testament Trinity went to Borzo for £735. At Glendinning silver coins made £45,000, with

a best price of £880 for a Henry IV great.

Among other forthcoming sales of interest, Sotheby's will be selling one of the rarest of British Orders, the Most Ancient and Noble Order of the Thistle, on July 9. The Order was given to the 18th Earl of Erroll by William IV in 1834. Until 1831 there were only 12 Knights of the Thistle. Then George IV increased the number, but to 16, so it is very scarce.

The Earl of Erroll not only had the badge in gold, but also a unique badge of white sardonyx cameo mounted on gold, set in a green enamel band, surrounded by diamonds. The two badges could sell for as much as £10,000, a record price for a British Order.

Also up for auction will be a rare Victorian Cross, awarded to Col. Frederick Augustus Smith for bravery in New Zealand in 1864. Very few VCs were awarded during the wars against the Maoris and this is the first to appear on the market for many years.

SALEROOM

BY ANTHONY THORNCROFT

Impressionists set for record

WHAT IS reckoned to be the finest group of Impressionist paintings to be sold in London since the Goldschmidt collection in 1938, comes under the hammer at Sotheby's on July 1. The paintings, 50 in all, have been sent to auction by an anonymous French collector who acquired them directly, or through his father who dealt with Durand-Ruel, who bought paintings from the Impressionists themselves.

This means that many of the works are fresh on the market. In all, the auction is expected to realise around £2m, which would be a record for a single collection of paintings sold in one evening. The Goldschmidt collection made £781,000, but only seven paintings were involved. Among the works on offer are five Picassos, four Bonnards, three Monets, three Vlamincks, a Braque, a Matisse, a Toulouse-Lautrec and an important bull-fighting pastel by

Picasso, executed on his first trip to Paris in 1900.

Among the pictures in the sale are an 1896 Picasso of the market place near Rouen Cathedral, which is regarded as one of his masterpieces. There is also a view of the cathedral by Monet, as well as an oil he did of Waterloo Bridge from his studio on the fifth floor of the Savoy Hotel in 1903. It was acquired by the father of the vendor a few days later.

In contrast, the sales in London yesterday were rather small. At Sotheby's, Old Master paintings realised £25,400, a pair of portraits, attributed to Rubens of the Archduke Albert of Austria and the Infanta Isabella realised £3,000, and a river landscape by Hendrick van Lint fetched the same price.

At Christie's, Greek and Russian icons fetched £37,800, with a top price of £750 for an icon of the Virgin of Spolyansk. An 18th century central Russian Old Testament Trinity went to Borzo for £735. At Glendinning silver coins made £45,000, with

a best price of £880 for a Henry IV great.

Among other forthcoming sales of interest, Sotheby's will be selling one of the rarest of British Orders, the Most Ancient and Noble Order of the Thistle, on July 9. The Order was given to the 18th Earl of Erroll by William IV in 1834. Until 1831 there were only 12 Knights of the Thistle. Then George IV increased the number, but to 16, so it is very scarce.

The Earl of Erroll not only had the badge in gold, but also a unique badge of white sardonyx cameo mounted on gold, set in a green enamel band, surrounded by diamonds. The two badges could sell for as much as £10,000, a record price for a British Order.

Also up for auction will be a rare Victorian Cross, awarded to Col. Frederick Augustus Smith for bravery in New Zealand in 1864. Very few VCs were awarded during the wars against the Maoris and this is the first to appear on the market for many years.

TV Radio

BBC 1

↑Indicates programme in black and white.

9.45 a.m. For Schools, Colleges, 1.00 p.m. Cwn Defaid, 1.30 Chigley, 1.45 News, 2.00 Tennis, 2.25 Regional News (except London), 4.00 Play School, 4.25 Fide and Dixie, 4.35 Jackanory, 4.50 Blue Peter, 5.15 The Small World of Samuel Tweet, 5.40 News, 5.45 News, 5.50 Nationwide, 6.45 To-morrow's World, 7.15 Top of the Pops, 7.40 Dad's Army.

8.10 The Undersea World of Jacques Cousteau, 9.00 News, 9.25 Play for To-day, 10.30 Midweek, 11.05 Tennis highlights, 11.25 Tennis highlights, 11.45 News, 11.55 News, 12.00 News, 12.15 News, 12.30 News, 12.45 News, 1.00 News, 1.15 News, 1.30 News, 1.45 News, 1.55 News, 2.00 News, 2.15 News, 2.30 News, 2.45 News, 2.55 News, 3.00 News, 3.15 News, 3.30 News, 3.45 News, 3.55 News, 4.00 News, 4.15 News, 4.30 News, 4.45 News, 4.55 News, 5.00 News, 5.15 News, 5.30 News, 5.45 News, 5.55 News, 6.00 News, 6.15 News, 6.30 News, 6.45 News, 6.55 News, 7.00 News, 7.15 News, 7.30 News, 7.45 News, 7.55 News, 8.00 News, 8.15 News, 8.30 News, 8.45 News, 8.55 News, 9.00 News, 9.15 News, 9.30 News, 9.45 News, 9.55 News, 10.00 News, 10.15 News, 10.30 News, 10.45 News, 10.55 News, 11.00 News, 11.15 News, 11.30 News, 11.45 News, 11.55 News, 12.00 News, 12.15 News, 12.30 News, 12.45 News, 12.55 News, 1.00 News, 1.15 News, 1.30 News, 1.45 News, 1.55 News, 2.00 News, 2.15 News, 2.30 News, 2.45 News, 2.55 News, 3.00 News, 3.15 News, 3.30 News, 3.45 News, 3.55 News, 4.00 News, 4.15 News, 4.30 News, 4.45 News, 4.55 News, 5.00 News, 5.15 News, 5.30 News, 5.45 News, 5.55 News, 6.00 News, 6.15 News, 6.30 News, 6.45 News, 6.55 News, 7.00 News, 7.15 News, 7.30 News, 7.45 News, 7.55 News, 8.00 News, 8.15 News, 8.30 News, 8.45 News, 8.55 News, 9.00 News, 9.15 News, 9.30 News, 9.45 News, 9.55 News, 10.00 News, 10.15 News, 10.30 News, 10.45 News, 10.55 News, 11.00 News, 11.15 News, 11.30 News, 11.45 News, 11.55 News, 12.00 News, 12.15 News, 12.30 News, 12.45 News, 12.55 News, 1.00 News, 1.15 News, 1.30 News, 1.45 News, 1.55 News, 2.00 News, 2.15 News, 2.30 News, 2.45 News, 2.55 News, 3.00 News, 3.15 News, 3.30 News, 3.45 News, 3.55 News, 4.00 News, 4.15 News, 4.30 News, 4.45 News, 4.55 News, 5.00 News, 5.15 News, 5.30 News, 5.45 News, 5.55 News, 6.00 News, 6.15 News, 6.30 News, 6.45 News, 6.55 News, 7.00 News, 7.15 News, 7.30 News, 7.45 News, 7.55 News, 8.00 News, 8.15 News, 8.30 News, 8.45 News, 8.55 News, 9.00 News, 9.15 News, 9.30 News, 9.45 News, 9.55 News, 10.00 News, 10.15 News, 10.30 News, 10.45 News, 10.55 News, 11.00 News, 11.15 News, 11.30 News, 11.45 News, 11.55 News, 12.00 News, 12.15 News, 12.30 News, 12.45 News, 12.55 News, 1.00 News, 1.15 News, 1.30 News, 1.45 News, 1.55 News, 2.00 News, 2.15 News, 2.30 News, 2.45 News, 2.55 News, 3.00 News, 3.15 News, 3.30 News, 3.45 News, 3.55 News, 4.00 News, 4.15 News, 4.30 News, 4.45 News, 4.55 News, 5.00 News, 5.15 News, 5.30 News, 5.45 News, 5.55 News, 6.00 News, 6.15 News, 6.30 News, 6.45 News, 6.55 News, 7.00 News, 7.15 News, 7.30 News, 7.45 News, 7.55 News, 8.00 News, 8.15 News, 8.30 News, 8.45 News, 8.55 News, 9.00 News, 9.15 News, 9.30 News, 9.45 News, 9.55 News, 10.00 News, 10.15 News, 10.30 News, 10.45 News, 10.55 News, 11.00 News, 11.15 News, 11.30 News, 11.45 News, 11.55 News, 12.00 News, 12.15 News, 12.30 News, 12.45 News, 12.55 News, 1.00 News, 1.15 News, 1.30 News, 1.45 News, 1.55 News, 2.00 News, 2.15 News, 2.30 News, 2.45 News, 2.55 News, 3.00 News, 3.15 News, 3.30 News, 3.45 News, 3.55 News, 4.00 News, 4.15 News, 4.30 News, 4.45 News, 4.55 News, 5.00 News, 5.15 News, 5.30 News, 5.45 News, 5.55 News, 6.00 News, 6.15 News, 6.30 News, 6.45 News, 6.55 News, 7.00 News, 7.15 News, 7.30 News, 7.45 News, 7.55 News, 8.00 News, 8.15 News, 8.30 News, 8.45 News, 8.55 News, 9.00 News, 9.15 News, 9.30 News, 9.45 News, 9.55 News, 10.00 News, 10.15 News, 10.30 News, 10.45 News, 10.55 News, 11.00 News, 11.15 News, 11.30 News, 11.45 News, 11.55 News, 12.00 News, 12.15 News, 12.30 News, 12.45 News, 12.55 News, 1.00 News, 1.15 News, 1.30 News, 1.45 News, 1.55 News, 2.00 News, 2.15 News, 2.30 News, 2.45 News, 2.55 News, 3.00 News, 3.15 News, 3.30 News, 3.45 News, 3.55 News, 4.00 News, 4.15 News, 4.30 News, 4.45 News, 4.55 News, 5.00 News, 5.15 News, 5.30 News, 5.45 News, 5.55 News, 6.00 News, 6.15 News, 6.30 News, 6.45 News, 6.55 News, 7.00 News, 7.15 News, 7.30 News, 7.45 News, 7.55 News, 8.00 News, 8.15 News, 8.30 News, 8.45 News, 8.55 News, 9.00 News, 9.15 News, 9.30 News, 9.45 News, 9.55 News, 10.00 News, 10.15 News, 10.30 News, 10.45 News, 10.55 News, 11.00 News, 11.15 News, 11.30 News, 11.45 News, 11.55 News, 12.00 News, 12.15 News, 12.30 News, 12.45 News, 12.55 News, 1.00 News, 1.15 News, 1.30 News, 1.45 News, 1.55 News, 2.00 News, 2.15 News, 2.30 News, 2.45 News, 2.55 News, 3.00 News, 3.15 News, 3.30 News, 3.45 News, 3.55 News, 4.00 News, 4.15 News, 4.30 News, 4.45 News, 4.55 News, 5.00 News, 5.15 News, 5.30 News, 5.45 News, 5.55 News, 6.00 News, 6.15 News, 6.30 News, 6.45 News, 6.55 News, 7.00 News, 7.15 News, 7.30 News, 7.45 News, 7.55 News, 8.00 News, 8.15 News, 8.30 News, 8.45 News, 8.55 News, 9.00 News, 9.15 News, 9.30 News, 9.45 News, 9.55 News, 10.00 News, 10.15 News, 10.30 News, 10.45 News, 10.55 News, 11.00 News, 11.15 News, 11.30 News, 11.45 News, 11.55 News, 12.00 News, 12.15 News, 12.30 News, 12.45 News, 12.55 News, 1.00 News, 1.15 News, 1.30 News, 1.45 News, 1.55 News, 2.00 News, 2.15 News, 2.30 News, 2.45 News, 2.55 News, 3.00 News, 3.15 News, 3.30 News, 3.45 News, 3.55 News, 4.00 News, 4.15 News, 4.30 News, 4.45 News, 4.55 News, 5.00 News, 5.15 News, 5.30 News, 5.45 News, 5.55 News, 6.00 News, 6.15 News, 6.30 News, 6.45 News, 6.55 News, 7.00 News, 7.15 News, 7.30 News, 7.45 News, 7.55 News, 8.00 News, 8.15 News, 8.30 News, 8.45 News, 8.55 News, 9.00 News, 9.15 News, 9.30 News, 9.45 News, 9.55 News, 10.00 News, 10.15 News, 10.30 News, 10.45 News, 10.55 News, 11.00 News, 11.15 News, 11.30 News, 11.45 News, 11.55 News, 12.00 News, 12.15 News, 12.30 News, 12.45 News, 12.55 News, 1.00 News, 1.15 News, 1.30 News, 1.45 News, 1.55 News, 2.00 News, 2.15 News, 2.30 News, 2.45 News, 2.55 News, 3.00 News, 3.15 News, 3.30 News, 3.45 News, 3.55 News, 4.00 News, 4.15 News, 4.30 News, 4.45 News, 4.55 News, 5.00 News, 5.15 News, 5.30 News, 5.45 News, 5.55 News, 6.00 News, 6.15 News, 6.30 News, 6.45 News, 6.55 News, 7.00 News, 7.15 News, 7.30 News, 7.45 News, 7.55 News, 8.00 News, 8.15 News, 8.30 News, 8.45 News, 8.55 News, 9.00 News, 9.15 News, 9.30 News, 9.45 News, 9.55 News, 10.00 News, 10.15 News, 10.30 News, 10.45 News, 10.55 News, 11.00 News, 11.15 News, 11.30 News, 11.45 News, 11.55 News, 12.00 News, 12.15 News, 12.30 News, 12.45 News, 12.55 News, 1.00 News, 1.15 News, 1.30 News, 1.45 News, 1.55 News, 2.00 News, 2.15 News, 2.30 News, 2.45 News, 2.55 News, 3.00 News, 3.15 News, 3.30 News, 3.45 News, 3.55 News, 4.00 News, 4.15 News, 4.30 News, 4.45 News, 4.55 News, 5.00 News, 5.15 News, 5.30 News, 5.45 News, 5.55 News, 6.00 News, 6.15 News, 6.30 News, 6.45 News, 6.55 News, 7.00 News, 7.15 News, 7.30 News, 7.45 News, 7.55 News, 8.00 News, 8.15 News, 8.30 News, 8.45 News, 8.55 News, 9.00 News, 9.15 News, 9.30 News, 9.45 News, 9.55 News, 10.00 News, 10.15 News, 10.30 News, 10.45 News, 10.55 News, 11.00 News, 11.15 News, 11.30 News, 11.45 News, 11.55 News, 12.00 News, 12.15 News, 12.30 News, 12.45 News, 12.55 News, 1.00 News, 1.15 News, 1.30 News, 1.45 News, 1.55 News, 2.00 News, 2.15 News, 2.30 News, 2.45 News, 2.55 News, 3.00 News, 3.15 News, 3.30 News, 3.45 News, 3.55 News, 4.00 News, 4.15 News, 4.30 News, 4.45 News, 4.55 News, 5.00 News, 5.15 News, 5.30 News, 5.45 News, 5.55 News, 6.00 News, 6.15 News, 6.30 News, 6.45 News, 6.55 News, 7.00 News, 7.15 News, 7.30 News, 7.45 News, 7.55 News, 8.00 News, 8.15 News, 8.30 News, 8.45 News, 8.55 News, 9.00 News, 9.15 News, 9.30 News, 9.45 News, 9.55 News, 10.00 News, 10.15 News, 10.30 News, 10.45 News, 10.55 News, 11.00 News, 11.15 News, 11.30 News, 11.45 News, 11.55 News, 12.00 News, 12.15 News, 12.30 News, 12.45 News, 12.55 News, 1.00 News, 1.15 News, 1.30 News, 1.45 News, 1.55 News, 2.00 News, 2.15 News, 2.30 News, 2.45 News, 2.55 News, 3.00 News, 3.15 News, 3.30 News, 3.45 News, 3.55 News, 4.00 News, 4.15 News, 4.30 News, 4.45 News, 4.55 News, 5.00 News, 5.15 News, 5.30 News, 5.45 News, 5.55 News, 6.00 News, 6.15 News, 6.30 News, 6.45 News, 6.55 News, 7.00 News, 7.15 News, 7.30 News, 7.45 News, 7.55 News, 8.00 News, 8.15 News, 8.30 News, 8.45 News, 8.55 News, 9.00 News, 9.15 News, 9.30 News, 9.45 News, 9.55 News, 10.00 News, 10.15 News, 10.30 News, 10.45 News, 10.55 News, 11.00 News, 11.15 News, 11.30 News, 11.45 News, 11.55 News, 12.00 News, 12.15 News, 12.30 News, 12.45 News, 12.55 News, 1.00 News, 1.15 News, 1.30 News, 1.45 News, 1.55 News, 2.00 News, 2.15 News, 2.30 News, 2.45 News, 2.55 News, 3.00 News, 3.15 News, 3.30 News, 3.45 News, 3.55 News, 4.00 News, 4.15 News, 4.30 News, 4.45 News, 4.55 News, 5.00 News, 5.15 News, 5.30 News, 5.45 News, 5.55 News, 6.00 News, 6.15 News, 6.30 News, 6.45 News, 6.55 News, 7.00 News, 7.15 News, 7.30 News, 7.45 News, 7.55 News, 8.00 News, 8.15 News, 8.30 News, 8.45 News, 8.55 News, 9.00 News, 9.15 News, 9.30 News, 9.45 News, 9.55 News, 10.00 News, 10.15 News, 10.30 News, 10.45 News, 10.55 News, 11.00 News, 11.15 News, 11.30 News, 11.45 News, 11.55 News, 12.00 News, 12.15 News, 12.30 News, 12.45 News, 12.55 News, 1.00 News, 1.15 News, 1.30 News, 1.45 News, 1.55 News, 2.00 News, 2.15 News, 2.30 News, 2.45 News, 2.55 News, 3.00 News, 3.15 News, 3.30 News, 3.45 News, 3.55 News, 4.00 News, 4.15 News, 4.30 News, 4.45 News, 4.55 News, 5.00 News, 5.15 News, 5.30 News, 5.45 News, 5.55 News, 6.00 News, 6.15 News, 6.30 News, 6.45 News, 6.55 News, 7.00 News, 7.15 News, 7.30 News, 7.45 News, 7.55 News, 8.00 News, 8.15 News, 8.30 News, 8.45 News, 8.55 News, 9.00 News, 9.15 News, 9.30 News, 9.45 News, 9.55 News, 10.00 News, 10.15 News, 10.30 News, 10.45 News, 10.55 News, 11.00 News, 11.15 News, 11.30 News, 11.45 News, 11.55 News, 12.00 News, 12.15 News, 12.30 News, 12.45 News, 12.55 News, 1.00 News, 1.15 News, 1.30 News, 1.45 News, 1.55 News, 2.00 News, 2.15 News, 2.30 News, 2.45 News, 2.55 News, 3.00 News, 3.15 News, 3.30 News, 3.45 News, 3.55 News, 4.00 News, 4.15 News, 4.30 News, 4.45 News, 4.55 News, 5.00 News, 5.15 News, 5.30 News, 5.45 News, 5.55 News, 6.00 News, 6.15 News, 6.30 News, 6.45 News, 6.55 News, 7.00 News, 7.15 News, 7.30 News, 7.45 News, 7.55 News, 8.00 News, 8.15 News, 8.30 News, 8.45 News, 8.55 News, 9.00 News, 9.15 News, 9.30 News, 9.45 News, 9.55 News, 10.00 News, 10.15 News, 10.30 News, 10.45 News, 10.55 News, 11.00 News, 11.15 News, 11.30 News, 11.45 News, 11.55 News, 12.00 News, 12.15 News, 12.30 News, 12.45 News, 12.55 News, 1.00 News, 1.15 News, 1.30 News, 1.45 News, 1.55 News, 2.00 News, 2.15 News, 2.30 News, 2.45 News, 2.55 News, 3.00 News, 3.15 News, 3.30 News, 3.45 News, 3.55 News, 4.00 News, 4.15 News, 4.30 News, 4.45 News, 4.55 News, 5.00 News, 5.15 News, 5.30 News, 5.45 News, 5.55 News, 6.00 News, 6.15 News, 6.30 News, 6.45 News, 6.55 News, 7.00 News, 7.15 News, 7.30 News, 7.45 News, 7.55 News, 8.00 News, 8.15 News, 8.30 News, 8.45 News, 8.55 News, 9.00 News, 9.15 News, 9.30 News, 9.45 News, 9.55 News, 10.00 News, 10.15 News, 10.30 News, 10.45 News, 10.55 News, 11.00 News, 11.15 News, 11.30 News, 11.45 News, 11.55 News, 12.00 News, 12.15 News, 12.30 News, 12.45 News, 12.55 News, 1.00 News, 1.15 News, 1.30 News, 1.45 News, 1.55 News, 2.00 News, 2.15 News, 2.30 News, 2.45 News, 2.55 News, 3.00 News, 3.15 News, 3.30 News, 3.45 News, 3.55 News, 4.00 News, 4.15 News, 4.30 News, 4.45 News, 4.55 News, 5.00 News, 5.15 News, 5.30 News, 5.45 News, 5.55 News, 6.00 News, 6.15 News, 6.30 News, 6.45 News, 6.55 News, 7.00 News, 7.15 News, 7.30 News, 7.45 News, 7.55 News, 8.00 News, 8.15 News, 8.30 News, 8.45 News, 8.55 News, 9.00 News, 9.15 News, 9.30 News, 9.45 News, 9.55 News, 10.00 News, 10.15 News, 10.30 News, 10.45 News, 10.55 News, 11.00 News, 11.15 News, 11.30 News, 11.45 News, 11.55 News, 12.00 News, 12.15 News, 12.30 News, 12.45 News, 12.55 News, 1.00 News, 1.15 News, 1.30 News, 1.45 News, 1.55 News, 2.00 News, 2.15 News, 2.30 News, 2.45 News, 2.55 News, 3.00 News, 3.15 News, 3.30 News, 3.45 News, 3.55 News, 4.00 News, 4.15 News, 4.30 News, 4.45 News, 4.55 News, 5.00 News, 5.15 News, 5.30 News, 5.45 News, 5.55 News, 6.00 News, 6.15 News, 6.30 News, 6.45 News, 6.55 News, 7.00 News, 7.15 News, 7.30 News, 7.45 News, 7.55 News,

WORLD TRADE NEWS

Copies of the Report (in English) will be available after the 24th July 1975 and can be obtained from : Securities Department, S. G. Warburg & Co. Ltd. 30 Gresham Street, London EC2P 2EB and from the Banque de Paris et des Pays-Bas, Moor House, 119 London Wall, London EC2Y 5DR.

Logging operations in Sabah. Total 1974-75 240,398. The directors recommend a distribution of £8,744.15 per share making 1.23414p for the year, the maximum permitted (1973: 1.1381p), leaving £2,131.194 to be added to reserves.

It is expected in view of the sharp deterioration in the general business climate, and particularly in construction activity, these results fall well short of the all-time record established in the exceptionally favourable conditions of 1972. Profit was down by 38 per cent. on 1973 and, after tax and dividend, after tax profit was well ahead of anything achieved before 1973.

For the U.K. as a whole, the number of housing starts and the volume of apparent softwood consumption each fell in 1974 by some 23 per cent., leading inevitably to an increase in importers' and merchants' stocks and in cost of finance. Group stocks have fallen towards the end of 1974 but have still not been greatly reduced, leading to the elimination of the net bank overdraft. Liquidity has been bolstered by the provisions of the last two budgets relating to increases in the value of stocks, which result in the deferment of the payment of £9,894,025 of the provisions provided for U.K. taxation in the 1974 and 1974 accounts.

Eastern Europe is opening strongly in the South-East European market, weakened steadily from April onwards. By the end of the year prices at the port of shipment stood at about half the March level and the production of some grades of species had become uneconomic.

Production, which was kept in line in 1974, is expected to be well below 1973 levels with only

United Kingdom Sector. Reference has already been made to the down-turn in the construction industry, to which the fortunes of the timber trade are closely allied. As a result, the resultant buildup of trade stocks and borrowings as timber continued to come forward under contracts made in 1973. Liquidity problems, accentuated by the restraints of Government controls while replacement costs were rising, made themselves felt in most sections of the trade.

With a similar fall in demand in other consuming countries, producers in Scandinavia and elsewhere have cut back production in an endeavour to prevent the market from dropping to an uneconomic level. Prices have nevertheless fallen back somewhat after rising for some successive years and due allowance has been made for this in the valuation of stocks.

Despite these adverse factors, Sabah subsidiary companies gave a good account of themselves by returning aggregate results for 1974 which could be considered no less than any other standard than that of 1973.

Meantime the steady growth of our U.K. network continues. All the new members of the group have a first-class reputation and in line with established policy it will be the aim to develop and foster the traditions and enterprising within the group framework. We remain receptive to further suitable opportunities for growth.

Trading conditions remain difficult and it would be unrealistic to expect an early recovery in the timber trade, but the group does hope to take advantage of any openings whenever it comes.

AMERICAN NEWS

Ford to postpone oil tariff increase

WASHINGTON, June 18.

THE FORD Administration has decided against boosting the U.S. oil-import tariff again until at least this autumn, and possibly never, and it is holding back on its plan for ending remaining price controls on oil.

Administration sources said that another increase in the current \$2-a-barrel tariff on imported oil will not be considered by President Ford until at least this September. By then it will be clear what action Congress will take on energy legislation and also how significant the world oil-price boost by the international oil cartel will be.

A sizeable price increase by the Organisation of Petroleum Exporting Countries (OPEC) expected this autumn, coupled with a phase-out of oil-price controls here, if Congress allows it, could negate the need or desirability for another dollar-a-barrel increase in the tariff, administration energy planners said.

The President's energy programme calls for eventually boosting the tariff to \$3 a barrel, but one top administration energy official said that it is possible that there will not ever be a further increase. At the least, the tariff probably won't be raised again until this autumn, the official said. The tariff was raised by the President to \$2 a barrel, effective June 1.

As for the oil-price controls, the White House is delaying implementation of its previously announced plan to end them and instead will wait to see if Congress comes up with a phase-out of the controls that is acceptable to administration energy strategists.

FDA to relax rules on drug testing

By Our Washington Staff

WASHINGTON, June 18.

THE FOOD and drug administration will soon join the Federal Trade Commission in making new policies designed to foster competition in the drug industry. The FDA later this month will announce new rules which will no longer require tests for many long-used non-brand named drugs. This move will allow small firms to quickly and inexpensively produce their own version of brand-name products not subject to patents.

The new FDA policy comes at a time when the FTC decided to promote the advertising of prescription drugs in order to increase competition between pharmacies.

Under present FDA regulations, manufacturers who want to copy other products already on the market are required to duplicate much of the expensive tests required for new drugs. But the FDA has discovered that about 1,400 of the older drugs on the market can be safely sold without such duplicate tests.

More U.S. missiles for defence of W. Europe

BY PAUL LEWIS, U.S. EDITOR

WASHINGTON, June 18

THE U.S. is to assign more Poseidon submarine-launched nuclear ballistic missiles to the defence of Western Europe as part of NATO's efforts to develop a more flexible and selective strategy for the use of nuclear weapons.

The American plan was first announced earlier this month in the unclassified version of the Defence Department's report to the Senate Armed Services Committee on tactical nuclear strategy in Europe, which was required under the so-called Xunn amendment.

But it was also discussed by NATO Defence Ministers at yesterday's meeting of the nuclear planning group in Monterey, California. The U.S., W. Germany, Italy and Britain are permanent members of this body, while the other rotating seats are currently held by Belgium, Denmark, Turkey and Portugal (which withdrew when the Communists came to power).

At the moment, the NATO commander (Saceur) is assigned a

small number of Poseidon submarines—believed to be about five—which are usually given targets in the rear of the Warsaw Pact Forces. By slightly increasing the number of submarine-launched missiles under Saceur, NATO will now be able to cover more targets in these areas with greater accuracy and security and with the minimum danger of collateral damage.

This is in keeping with the new strategy of flexible response, under which the NATO allies are developing the option of using their nuclear forces against selective military targets, instead of being committed to a massive attack on Russian population centres in the event of aggression.

The advantage of the Poseidon submarine in the eyes of Western strategists lies in the accuracy, range and the multiple yield of its multiple warheads, together with its invulnerability to enemy attack. This contrasts with the larger and

more damaging warheads carried by the Pershing land-based tactical nuclear missile, and the comparative vulnerability of the strike aircraft on quick reaction alert in western Europe.

The second advantage of assigning more submarines to what is essentially a tactical nuclear role, with the NATO commander, is that it will free more Western weapons from deep nuclear strike work for ground support action. In this connection, NATO hopes to fit these planes with a new generation of highly accurate conventional bombs, for use against troops on the ground and Warsaw Pact supply lines.

In addition to assigning more Poseidon submarines to Saceur, the American plan as outlined in the Defence Department's report to Congress, includes the modernisation of its tactical nuclear weapons in Europe, better security precautions and steps to improve the survivability of NATO forces under nuclear and conventional attack.

Ban sought on arms supply to Chile

By Hugh O'Shaughnessy

BRITAIN SHOULD halt delivery of arms to the Chilean Government until such time as Chile meets its outstanding debts to this country. This is argued by three Labour MPs. Mr. Ian Mordaunt, Chairman of the International Committee of the Party and Mr. Neil Kinnock and Mr. Martin Plummer of the Anglo-Chilean Parliamentary group in a letter to Mr. Denis Healey.

The move follows the recent decision of the Chilean authorities to offer Britain only partial payment of debts due in 1973 and the refusal of the British Government to accede to Chilean requests for a rescheduling of outstanding commitments.

The three MPs suggest that the Government must not allow Chile to take delivery of two submarines just completed for the Chilean Navy by Scott Lithgow on the Clyde and blood-curdling armaments such as Rolls Royce Avon aero engines and the rest of the Chilean cruiser Almirante Riveros on Tyneside. Chilean debts to Britain this year amount to about £14m.

The letter contests the Chilean Government's contention that Britain is bound to accept the terms of the rescheduling agreed with other of Chile's creditors. Britain is not bound by the Paris agreements, the authors say.

Britain must define the present situation as one of default by Chile. The writers say that the junta has radically increased Chile's indebtedness by accepting big new loans to U.S. companies nationalised by the last Chilean Government and by major arms purchases from the U.S. These new expenditures were not originally sanctioned by the IMF, they say.

POLL RULED OUT

SANTIAGO, June 17.

THE EVENING newspaper La Segunda today quoted President Augusto Pinochet as saying there would be no elections in Chile during his lifetime or that of his successor.

The paper said General Pinochet told provincial authorities in Concepcion, about 300 miles south of here: "I am going to die one day, and the person who succeeds me will also die. But there will be no elections."

Reuter

Scheel ends visit to Washington

WASHINGTON, June 18.

WEST GERMAN President, Walter Scheel left Washington for Chicago today after a two-day official visit during which he conferred with President Ford and addressed a joint session of Congress.

Secretary of State Henry Kissinger, with whom Herr Scheel had a two-and-a-half-hour working lunch yesterday, said goodbye to the West German leader as he boarded his helicopter.

In Chicago, the West German President will make a sightseeing tour and dine with Mayor Richard Daley and members of the Chicago city council. He will also visit New York before returning home.

In Washington, Herr Scheel expressed concern over Communist gains in Italy's regional elections and warned that the East-West ideological struggle must go on despite détente.

He said in his address to Congress yesterday that the West would lose the battle with the East "unless we see why Communist ideologies are effective in Europe and the third world."

Reuter

Kennedy attacks U.S. arms sales to Mideast

WASHINGTON, June 18.

balance of power totally absent for there to be any hope that a stable military balance can be created by arming all sides."

Reuter

SENATOR Edward Kennedy charged today that the U.S. was helping major Middle East oil-exporting nations to become hooked on what he called the heroin of modern weapons.

The Massachusetts Democrat voiced concern about heavy arms sales to the area by the U.S. and other countries in a testimony prepared for the Senate Foreign Relations Sub-committee. The panel is considering ways to tighten supervision of American arms sales.

Senator Kennedy, who has just returned from Iran, Iraq and Saudi Arabia, said: "In the Persian Gulf, as elsewhere a build-up of arms in any country will almost inevitably lead to a build-up elsewhere. Based on my recent visit to the Persian Gulf, I am convinced that this is true."

Senator Kennedy said that "outside arms suppliers can only make the situation worse, either by their own example, or by sending military support personnel along with the weapons. We are only helping to hook these nations on the heroin of modern arms."

Most of the \$8.2bn. worth of American military sales last year went to Iran and Saudi Arabia. Senator Kennedy said that a balance of arms might help promote stability in some parts of the world such as Europe, "but that is not so in the Persian Gulf."

He added: "The territory is too flat, the weapons are too powerful, the distances between countries too short, the rivalries too intense and complex, and a tradition of a

Nineteen in U.S. offshore oil search bid

WASHINGTON, June 18.

NINETEEN companies, including the nation's major oil firms, will apply for new oil exploration rights off the Atlantic coast.

Representative William Hughes has said.

Mr. Hughes said that the Interior Department broke a past policy of secrecy in identifying the firms for the benefit of a special Congressional committee.

Hughes is a member of a house committee on the outer continental shelf leasing programme, which will open areas off the U.S. coasts to exploration.

Reuter

BRAZIL NATIONALISES A LOTTERY:

The stinger stung

BY DAVID WHITE, RIO DE JANEIRO CORRESPONDENT

YES, SAYS my colleague, who is rarely so amused, of course he knows the numbers. One is Ostrich, two is Eagle, then Donkey, Butterfly, Dog, Xanny, Snake, Camel, and so on.

Rabbit and so on to 25. He can recite them backwards, too.

If that sounds like the language of a secret society, you are not far wrong. The animals and the numbers that go with them are part of the jingo of the world's longest-established, most complex and—until now—least legal lotteries. After resisting the efforts of several Brazilian governments to drive it out of business, the jingo (the jingo do bicho (animal game)) is on the brink of succumbing at last. The cunning of the final "sting" is attributable to the Finance Ministry, and what it amounts to is nationalisation.

In its rudimentary form, the game started life as a publicity gimmick for a zoo in suburban Rio de Janeiro in 1888. Outliving both the zoo and its founder, Baron Drummond, it was already being associated by the city police chief in 1917 with "robbery, misappropriation, suicide, vagrancy and who knows what else?" In 1941 the much-refined lottery was prohibited.

In clandestinity, the jingo do bicho became an institution. Today, an estimated half a million people live directly or indirectly from its proceeds. Until last month, when a government clampdown began to take effect, it was raking in more than \$1m. a day in Rio de Janeiro alone. And when the military government installed a new security chief seven years ago he found that half the city's policemen were on the gambling syndicate's payroll.

Since the middle of March the campaign against corruption in the former capital has caused most of the lottery's sales outlets to be shut. A number of police men charged with protecting them have been removed. When it has finished the operation, and tested public reaction, the Government is thinking of launching its own version of the game, alongside the three official lotteries already in existence.

State-run lotteries already play a significant part in the Brazilian budget, netting at least \$20m. in taxes each year and channelling a further \$40m. directly into welfare, education, and hospital programmes. The country-wide Federal Lottery, which has just increased its top prize to \$115,000, runs twice a week and has built up an annual turnover of \$80m., compared with \$4m. when it started in 1961. Half of it is distributed in prize money. Parallel to the Federal Lottery, the 21 states run their own lotteries, which offer more but smaller prizes.

The limited scope of legal betting at first did nothing to dent the stature of the jingo do

bicho bankers, who had a game where people played not only money but also superstition and devotion to fate. The only thing that could measure up against the jingo was the edge of the law. In 1970, the year Brazil won the World Cup for the third time in Mexico City, the Federal Savings Bank went into football pools.

This latest addition to the state's gambling armory, the Sporting Lottery, already has receipts of more than \$3m. a week and gives out \$1m. in prizes. Based on a combination of 13 matches with a maximum of 100,000 combinations, the jingo operation has handled \$25m. to date. Last year it came out with the two biggest prizes, according to its organisers, ever awarded anywhere, both just under \$500,000.

The Federal Savings Bank, in charge of both the pools and the Federal Lottery, will probably now be given the job of launching a copy of the animal game.

An estimated half a million live on the proceeds of the "animal game."

game under the trademark of the jingo do bicho. Zooteca Trial runs are being conducted in Rio and Salvador with the aim of adapting the game to a computer operation, while the hard-pressed bichoers look on with scorn. One looked at an experimental entry card and said: "It's more complicated than an income tax form."

To an outsider the workings of the game are virtually unfathomable, and there lies its greatest attraction. There are innumerable ways of betting and innumerable ways of winning, and the minimum stake is less than a quarter of the cost of a state lottery ticket. The Federal Lottery has already absorbed some of its pet peculiarities, such as the inverted number and the near-miss, but you cannot buy an official lottery ticket that is a "circled ten" or a "thousand enclosed on seven sides." All kinds of reasons can be found for the choice of number or animal. On St. George's Day so many people bet on the horse that the odds have to be lowered. People bet on birth dates, identity cards, registration numbers on tombstones.

The game, and its organisation, are an integral part of a social fabric. Those who work, or worked, on the 2,893 known distributive sales points, the 10 of 10 on each, including look-outs—belong to a private enterprise system of welfare and justice under the auspices of seven bankers. The bankers, betting at first did nothing to dent the stature of the jingo do

ern zone, are firmly-established businessmen, running taxi companies and petrol stations, patronising the local sports clubs and samba schools. Living on the edge of legality, they perform the role of patriarchs, founding their influence on the unholy trinity of bicho, football and carnival.

The game has survived on a reputation for honesty and prompt payment—"safer than a Bank of Brazil cheque" was how the senior banker in Manaus, Amazonas state, described it—and a rigidly and brutally enforced code of ethics. The family of bichoers receives support while he is in prison and widow's and children's benefits. Vengeance is carried out with the same efficiency that characterises the vendettas of the drug traffic and the Death Squad.

The war on corruption, which has brought charges against several top detectives linked with the narcotics racket, has provided the animal game with its second major crisis. The first came with the arrest of the bankers in 1970 (they were later released). An outbreak of anarchy in their absence was followed by a sumptuous summit conference at Coq's Bar on the coast road south of Rio, which fixed the still-valid lottery draw known as the Para-Todos, operating on the four days of the week when there is no competition from the state.

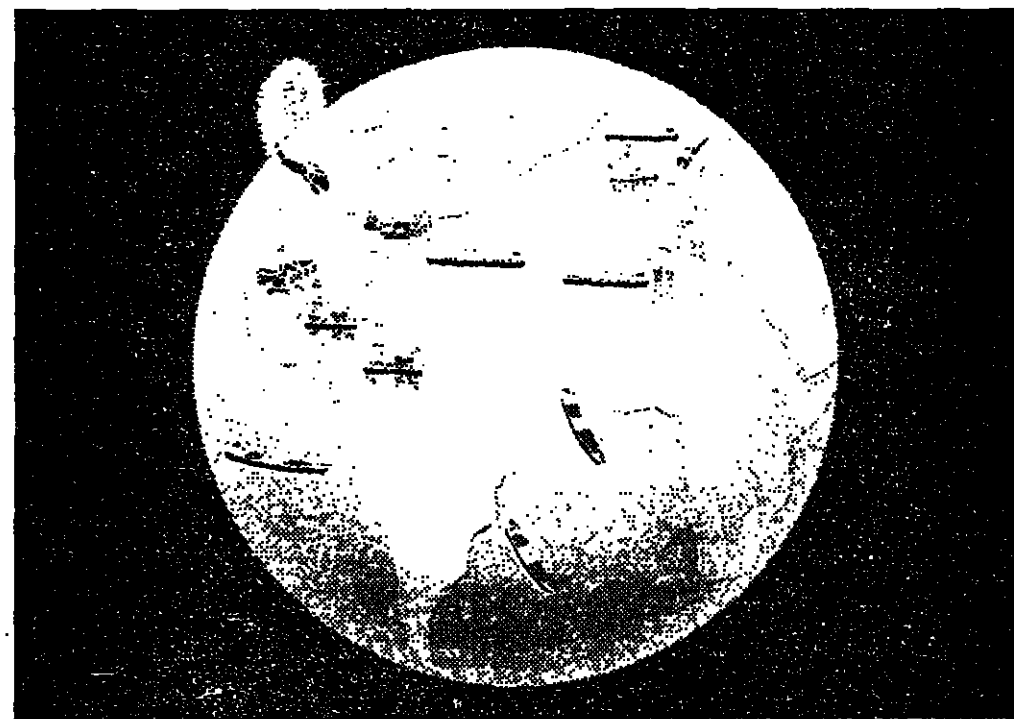
While the game continues elsewhere, in central Rio it has virtually halted, barring a few freelance operators in cars. The bankers have a bargaining point: if the game stops, how do the thousands of bichoers, all carrying the stigma of petty criminals, find employment? And what else are the policemen who have been receiving \$40 a week in protection money going to turn to? They are impatiently prepared to wait for the start-up of the Zooteca and the chance of a compromise, or at least for an amnesty.

There still are doubts whether any legal lottery will be as popular, while the Church and a number of politicians are the move. An opposition deputy was recently moved to ask "whether the legalisation of prostitution or the Death Squad would be all right if it brought in funds for the State." The argument in favour of the Zooteca is that the animal game is not going to be shooed away, and it is better to domesticate it. What has in the past been spent on bankers' limousines and bribes would be channelled into social amenities, probably including the traditional beneficiaries, the Soccer clubs and samba schools. An application for a share of the funds, in memory of Baron Drummond, who knew not what he started, has already been received from the Society for the Protection of Fauna.

How Chemical Bank helps supply financial energy for a changing world.

Financial energy is not just money. It is Chemical Bank's method of using money in the kind of imaginative and effective ways that make things happen.

Like using financial energy to generate other kinds of energy. Through everything from product and project financing to specially designed programs involving leasing and commercial financing.



Our financial energy is developing new ways to use energy.

The energy crisis is making coal look more interesting than it has in years. And Chemical Bank is deeply involved. Through a highly innovative leveraged leasing plan, our financial energy is transforming coal into electricity at a major steam-generating plant in the Northern United States.

At the same time, we are financing a uranium mine and milling complex in America's Southwest.

In Southern Italy, we're involved in the building of a major petro-chemical complex. And, in the North Sea, in the construction of several drilling rigs for the exploration of oil.

We are playing a leading role in a multi-million dollar loan to Sonatrach, the Algerian state oil and gas concern. In the Alaskan North Slope explorations. In a cross-Canada oil pipeline. In the construction of giant tankers to carry gas from Indonesia to Japan. And countless other projects.

Expertise around the globe.

Chemical Bank can undertake many of these projects on a non-recourse basis. Because our Petroleum and Minerals Division is staffed with banking experts including geologists and engineers. They can make evaluations of mineral and petroleum deposits and base their banking decisions on them.

If you have a project that could use some financial energy, talk to your Chemical Bank representative.

Chemical Bank world-wide.

London Office: 10 Moorgate - London EC2R 6DD - Tel.: 606.80.40

Birmingham Office: Scottish Provident House, 1/2 Waterloo Street - Birmingham B25PQ - Tel.: 643.76.14

Main Office: New York.
Beirut, Bermuda, Birmingham, Bogotá, Brussels, Buenos Aires, Caracas, Channel Islands, Chicago, Frankfurt, Hong Kong, Jakarta, London, Madrid, Manila, Mexico City, Milan, Monrovia, Nassau, Paris, Rio de Janeiro, San Francisco, São Paulo, Singapore, Sydney, Taipei, Tokyo, Vienna and Zurich.

CHEMICAL BANK

International business: When needs are financial, the reaction is Chemical.

INDUSTRIAL BUILDING COSTS

YES, YOU CAN STILL CONTAIN THEM

It's not so much a question of what you build but how you build it. If you've got plans for a new factory, warehouse or office building, now's the time to talk them over with ATCOST. An ATCOST structural frame can be tailored to meet your exact needs. And it can't only cut the cost of your project—it will get your building up and into profitable use quicker than practically any other form of permanent construction. With costs rising as they are, one thing is certain. It doesn't pay to be slow. Send this coupon now or call ATCOST direct. See how you can plan to contain building costs in 1975.

We are planning to build in 1975. Please send me your brochure describing:

- ☐ Factories and warehouses
- ☐ Offices and showrooms

Name _____
Position _____
Company _____
Address _____ FT2

ATCOST INDUSTRIAL DIVISION
Berkeley Square House,
London W1X 5LE. 01-493 0802
Munro Road,
Stirling FK7 7TA, Stirling FK79 11

EEC may freeze aid unless Lisbon moves nearer to democracy

BY PHILIP RAWSTORNE

ECONOMIC aid to Portugal from the EEC would be frozen if the country did not continue progress towards real democratic government, Sir Christopher Soames, EEC Commissioner for external affairs, indicated in a statement to the European Parliament today.

Proposals for substantial financial assistance to be considered by the Council of Ministers next week were intended to establish the economic and social foundations for a pluralist democracy, he said.

Agreeing with the virtually unanimous view of the Parliament, Sir Christopher made clear the aid programme would have to be reviewed, as it had been in the case of Greece, if these conditions were not being satisfied.

Mr. Peter Kirk, leader of the Conservative delegation, with support from Socialist and Christian Democrat MPs, had warned that political events in Portugal could face the Community with a difficult dilemma, though he emphasised that it was the EEC's duty to provide immediate aid.

Sir Christopher said that the Commission's proposals had

STRASBOURG, June 18.

been made because it believed the deteriorating economic situation in Portugal was jeopardising its political progress. The country's economy was almost stagnant, with rising unemployment and inflation, little investment and a widening balance of payments deficit.

The EEC plans would help to reverse these trends. But no amount of external aid would replace the need for successful domestic policies, he said.

Sir Christopher indicated that, under the Commission's proposals, aid would be channelled immediately into selected investment projects that would be supervised by a joint EEC-Portuguese co-ordinating committee. This would be followed by negotiations for an expansion and extension of Portugal's existing agreements with the Community on agricultural and industrial trade, technical and financial co-operation and the treatment of Portugal's migrant workers in the EEC.

Sir Christopher said that there was no intention of interfering in Portugal's internal affairs. But he added: "This is an internal European problem."

Ministers will discuss rules for multinationals

BY OUR OWN CORRESPONDENT

STRASBOURG, June 18.

UNDER STRONG pressure in the European Parliament today for controls over mergers, banking action to control the activities of multi-national companies, M. Albert Borschette, EEC Commissioner for competition policy, said that discussions on the issue were to be held soon with the Council of Ministers.

He warned that in the present state of economic and monetary union, Community action would be severely limited. Real control would imply a harmonisation of legislation on a scale that member states would regard as a threat to national sovereignty, he said.

However, M. Borschette told MPs that the Commission intended to initiate new measures involving workers' rights, fiscal problems, relations between the multi-nationals and developing

countries, and co-ordination of European Parliament today for controls over mergers, banking and public tenders.

He agreed with Sir Derek Walker-Smith, a member of the Conservative delegation, that the Community's policy should not discriminate against multi-nationals but said that this did not mean that they should not be subjected to stronger disciplines. The problem, he added, could only be effectively dealt with by concerted action in other international organisations like the UN and OECD.

Accused of "defeatism" by Socialist MPs who claimed that the financial activities of the multi-nationals had been an important factor in escalating inflation, M. Borschette insisted strongly that the Commission had no intention of evading its responsibilities.

Labour Party welcomed

BY ROBIN REEVES

STRASBOURG, June 18.

THE EUROPEAN Parliament's Communist group said here today that it looked forward to the arrival of the British Labour Party's delegation at Strasbourg in order to "reinforce the European Left in the battle necessary for the future of Europe".

Sieur Giorgio Amendola, leader of the group and a member of the Italian Communist Party executive, made the statement after denying suggestions that the Communist advance in Italy's regional elections would lead to a weakening of links with the Community. Confidence that the arrival of Labour MPs in Strasbourg would strengthen the Parliament was also expressed by Dr. Garret Fitzgerald, the Irish Foreign Minister, in his farewell speech as President of the Council of Ministers. His term expires at the end of the month, and he said he was sorry he would not be here to welcome the Labour MPs.

However, these messages of goodwill came amid intense speculation over the composition of the Labour delegation and its effect on present arrangements. Labour plans to take 18 seats out of the total U.K. quota of 38. This would mean that three, possibly four, MPs in the present contingent of 21 would have to stand down. It is a foregone conclusion that Lord O'Hagan, who sits as an Independent, will lose his seat, but the Liberals are promising not to give up two seats without a fight.

The Tories are accepting the loss of only two seats, almost certainly among the disproportionate number of peers in their present Strasbourg delegation. However, pro rata representation here of the Westminster Parliament could require them to make available the third seat. Not only do the Nationalists have to be catered for, but an equal claim to a seat could be lodged by the Ulster Unionist coalition.

Help for school-leavers

BY OUR OWN CORRESPONDENT

BRUSSELS, June 18.

THE COMMON MARKET is to provide special short-term aid for school-leavers and young people under 25 years of age seeking work. This was decided during a late-night session of the Council of Ministers responsible for social affairs in Luxembourg on Tuesday. However, no figure was put for the amount of aid.

The decision represents the minimum which could be rescued from a long and largely barren wrangle in the Council about who should receive priority aid from some 51m. units of account available from the social fund. The Italians insisted that aid should also be given to tackle structural and regional problems, but the nearest they got to this was Council agreement to ask the Commission to make proposals along these lines upon which it could make a decision before the end of November.

The Council did edge towards

a solution to the financing of proposed anti-poverty pilot studies in the face of West German insistence that any financial commitment must be of short duration. It gave the go-ahead to spend some 2.5m. units of account this year subsidising the schemes and probably 2.5m. next year.

The Council also agreed Commission proposals for equal treatment for women at work having previously referred back to Brussels for further discussion the parts of it dealing with equality in social security treatment. Since the advisory economic and social committee has not yet examined these proposals, the Council decision boiled down to no more than an agreement in principle.

Earlier discussion on the only item to pass muster relatively speedily, the Council agreed to recommend member States to introduce a 40-hour week and four weeks of paid holiday a year by the end of 1978.

Former Belgian telephone chief jailed for corruption

BY DAVID CURRY

BRUSSELS, June 18.

THE FORMER head of the Belgian public telephone authority, M. Germain Baudrin, was today sent to prison for four years by a Brussels court for corruption, falsification of documents and abuse of his position as a State employee. The court also ordered that B.Fr.33m. in M. Baudrin's possession (about 4,000,000) should be confiscated and handed to public charities. M. Baudrin has already served 14 months of the sentence in the form of preventive detention. The case started in 1973 when an engineer employed in the Regie des Telegraphes at des Telephones wrote to a newspaper alleging that M. Baudrin had

cost the authority about B.Fr.6bn. (about £70m.) by arranging for excessively priced contracts to be placed with private companies which had links with members of his family and friends. Last year he was suspended from his post and arrested, and the court case revolved around the central issue of receiving bribes. Four other people were also found guilty, including his son, Michel, who received a three-month suspended sentence. Other terms ranged from three months to six months suspended or partially suspended together with small fines.

ICELAND'S RUNAWAY INFLATION

Where economists go mad

BY WILLIAM DULLFORCE, NORDIC CORRESPONDENT

ICELANDERS have a story about a foreign economist who visited them 10 years ago to study their

economy and is still under treatment in a mental institute. The most recent bout of accelerated inflation has been to borrow—at the private, business, and national levels: "Only a fool island, 215,000 descendants of Vikings seafarers have lived for decades with a rate of inflation double that of the rest of Europe. Moreover, they have not merely coped with rising prices, but by an unorthodox and irrelevant attitude to accepted economic practice (the rate of exchange that property is the safest hedge has never been a symbol of national pride) have at the same time achieved a faster rate of growth than Britain and a standard of living comparable with that of their Scandinavian cousins.

The Icelandic can give the private citizen in other countries some sound advice on survival, but his experience is of more dubious value to the business man, while at the national level he could be about to demonstrate the dangers of addiction to a fiat money. Last year Iceland topped the OECD inflationary league with a 55 per cent. rise in consumer prices. The new Government, which took over last August, devalued the krona twice within five months—by 17 per cent. and by 20 per cent. It is having trouble persuading the public to accept a serious cut-back of real earnings and its own budget in putting its own system adapted to prolonged

inflation can sap a nation's political will, even when the nation consists of tough-minded Icelanders.

half the cost of a new building. This state housing fund is financed from a 3.5 per cent. payroll tax on all business except fisheries and farming, of which it gets the lion's share. Even bankers sometimes wonder how Icelanders continue to raise capital to supplement their build-

contributing to inflation, the effect on family budgets was cushioned for a time. Inflation had already pushed wives into work, many men were doing two jobs, Icelanders are used to working extra hours, and two devaluations have helped maintain full employment. The latest

A system adapted to prolonged inflation can sap a nation's political will, even when the nation consists of tough-minded Icelanders.

ing loans. One important source is the compulsory savings account into which every working man or woman between the ages of 16 and 25 has to pay 15 per cent. of his or her income. These accounts carry low interest rates, but are linked to price indices and can be drawn if the worker marries or becomes a full-time student. As a savings incentive the Government also issues index-linked bonds, but the whole question of index-linking is in the melting pot, since the OECD report on Iceland's economy criticised the system for promoting inflation and the government broke the index link for wages last year.

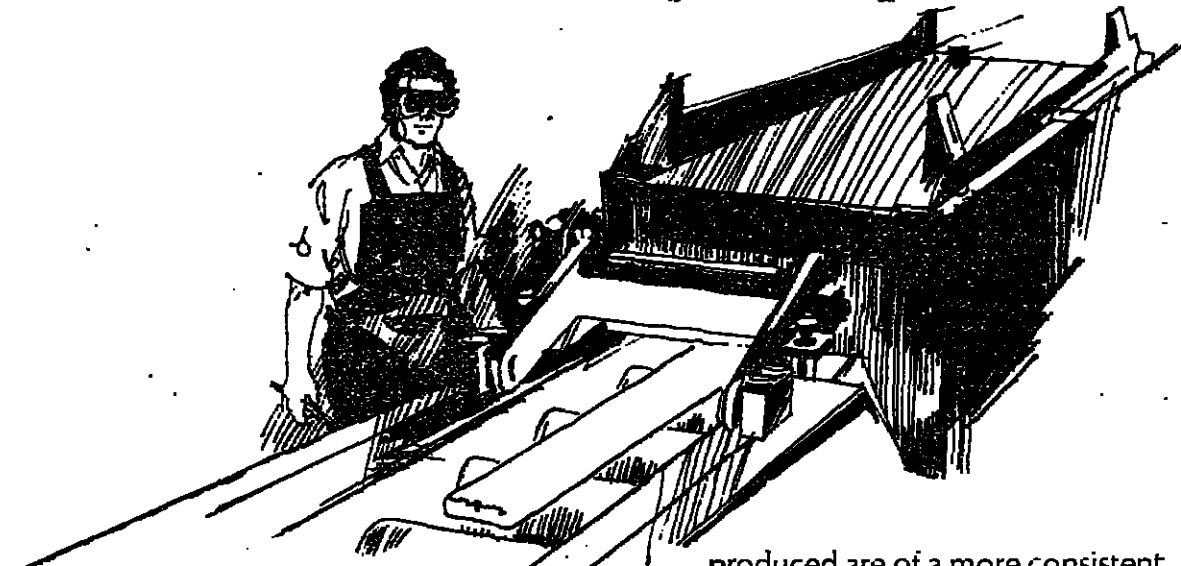
When in the spring of 1974 the Government stopped the system of automatic price threshold increases of wages and salaries, arguing that it was

whom 1974 was a record year in production and sales volumes, found that his ratio of own to borrowed capital had dropped from 33 per cent. to 39 per cent., but disappeared, and the rest of even after he had adjusted the book value of his machinery and equipment. He was paying 17 per cent. on his bank loans, but since the devaluation in February, when the central bank imposed a three-month credit stop, now prolonged, he has had the trouble obtaining new loans. One bank, in assessing a company's creditworthiness, is now satisfied with a 1:1 ratio of short-term debt to liquid assets, where it applied a 1:2 criterion before. A continuous revaluation of assets enables most companies to keep a reasonable debt-equity ratio and to get long term credits. Last year, however, despite the central bank's attempt to apply tight credit, the banks had to mount a major rescue operation for the fishing industry, which was in the middle of an investment boom when caught with heavy stocks, low export demand, and falling export prices. The Banks were borrowing from the central bank at 24 per cent. penalty rates, until towards the end of the year a scheme was worked out for the conversion of short-term loans into longer periods at cheaper rates.

Indeed, the economy has failed to cope with the steep rise of inflationary fever during the past 18 months, set off by the increased cost of imported oil, application of curative measures.

On the whole, however, the Icelandic experience would seem to demonstrate that it is impossible to inoculate even a tiny economy against massive inflation and that, indeed, the habits and systems developed under moderate inflation can delay the application of curative measures.

How industry can profit from electricity



Rapid heating reduces production costs

Electric heating is the fastest way of bringing steel bars and tubes to temperature for rolling, forging or forming. The two processes used—induction heating and direct resistance heating—both develop heat directly within the metal. Many benefits result. For instance, metal loss is virtually eliminated because surface decarburisation and scale are almost non-existent. Further benefits are little or no grain growth and a better shop environment—since hardly any heat is lost to the surroundings. And no furnace fabric has to be heated, so overall conversion efficiency is high and start up and shut down are achieved at a moment's notice. There are no standby losses or long warm-up periods.

These and other benefits explain why electric induction and direct resistance heating are so competitive for heating steel bars and tubes.

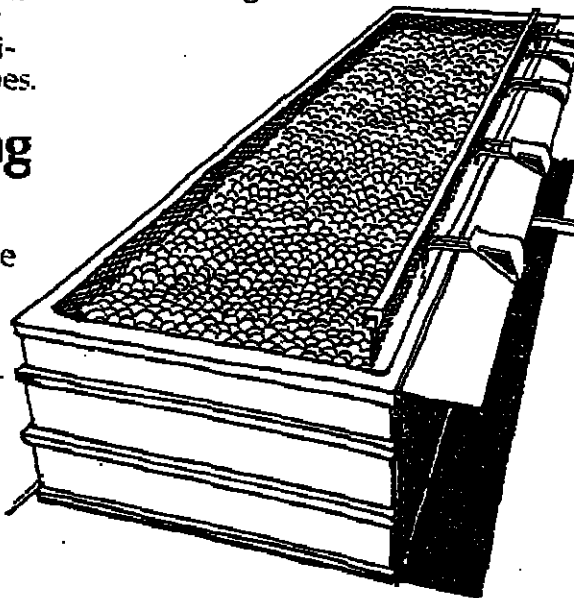
Better biscuit baking with r.f. heating

During baking, a biscuit's surface reaches its correct moisture content well before the inside. This can be corrected by further conventional heating but a better and more efficient alternative is to use radio frequency (r.f.) heating. The process directly heats the water in the centre of the biscuit ensuring rapid and uniform drying. The biscuits

produced are of a more consistent quality than conventionally baked products. Which all adds up to efficient utilisation of resources, an excellent product and a good return on investment.

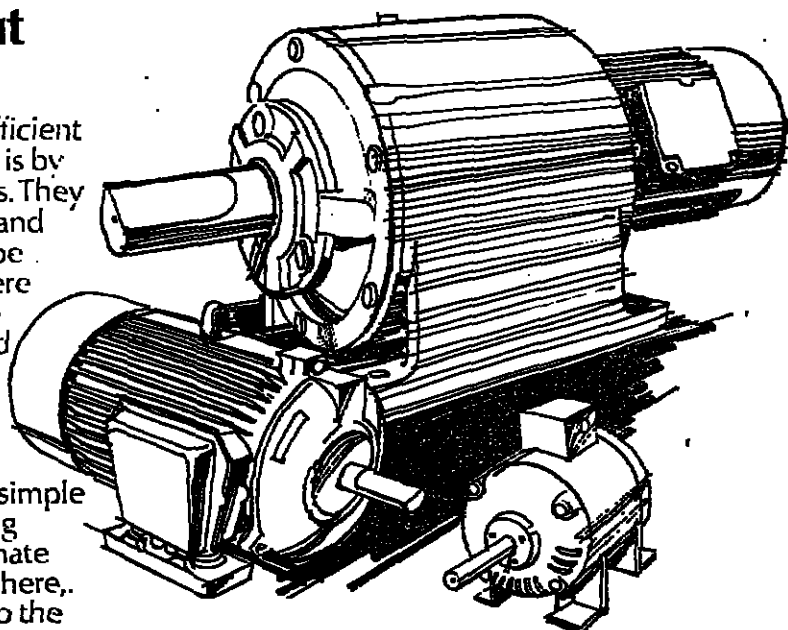
Efficient liquid heating without contamination

A versatile and highly efficient method of heating liquids is by electric immersion heaters. They are clean, uncomplicated and highly efficient. They can be immersed in a liquid—where they operate at 100% conversion efficiency—or fixed externally to a vessel. Either way, the result is a consistent and easily controlled heating system, inexpensive to install and simple to maintain. Electric heating elements do not contaminate the process or the atmosphere, and very little heat is lost to the surrounding air.



Using the right motor cuts costs

Three fifths of the electricity used by industry goes to drive electric motors. So it is vital that they operate efficiently. An electric motor only operates at its maximum efficiency when it is loaded correctly. Underloading or overloading brings a sharp fall-off in efficiency—and reduces power factor too. Just as it is wrong to use a motor too small for the job, there is no point in having one that is too powerful either. It merely adds to the capital and running costs of the machinery without giving any improvement in reliability. Sometimes, overlarge motors are employed to overcome starting torque problems. But modern devices such as fluid



couplings can sometimes be used to overcome this particular problem by permitting motors to start under load without excessive currents.

The best use of electricity

The applications given in this advertisement show how industry profits from electricity. Electricity is not just another fuel; it is energy in a highly refined form; clean and convenient, extremely versatile and very efficient at the point of use. Are you making the best use of electricity?

Electricity does industry a power of good



The Electricity Council, England and Wales.

HOME NEWS

£91m. loans offered by Finance for Industry

BY MARGARET REID

LOANS TOTALLING £91m. have been offered by Finance for Industry to companies, and accepted by them, since FFI's new £1bn. medium-term lending facility was launched early this year. It is understood, about £20m. of this has already been advanced.

Altogether, the Board of FFI, headed by Lord Seebom, has approved loan applications of some £135m. since the facility was established following an initiative in last November's "little Budget" although not all the offered advances have yet been accepted.

The scheme, launched to boost the supply of funds to finance industry's capital investment, was widely regarded as the brain-child of Mr. Harold Lever, who

is Chancellor of the Duchy of Lancaster and a close adviser on economic matters to the Prime Minister.

The shares of FFI, formed in 1973 from the amalgamation of Finance Corporation for Industry and Industrial and Commercial Finance Corporation, are owned by the Bank of England and the big clearing and Scottish banks. Under plans for the organisation's expansion as a major source of medium-term capital for industry, it has been intended that these shareholders should put up £58m. of further equity capital in due course.

It is now learned that, in a rights issue, completed before March 31, 1975, the end of FFI's financial year, the shareholders have already provided £58m. in this way. The Bank of England holds 15 per cent. of the shares.

Applications for loans under FFI's new facility, which do not appear to have been dampened by the recent raising of some £524m. of finance through companies' own rights issues, are understood now to have reached a total of well over £500m. The bulk of these applications are still under consideration.

Details of loans sought from, and approved and made by, FFI are not revealed by the lender. One company which has disclosed that it has raised cash from FFI is Slough Estates, which borrowed £5m. It is also known that Chrysler U.K. has applied for a loan of some £30m. FFI, which incurred a near-£2m. loss for the six months to September 30, 1974, after £5.3m. of provisions, is due to announce its 1974-75 results on about July 8.

Social contract only answer—Murray

FINANCIAL TIMES REPORTER

A STRONG defence of the social contract was made in London yesterday by Mr. Len Murray, the TUC general secretary.

He told a conference organised by the British Institute of Management, urged the Government not to increase public spending in order to maintain employment.

"The last thing the Government needs to do in this present crisis is to expand Government expenditure to maintain employment. So if the money-lenders want us to cut back Government expenditure, then we should happily do so."

Sir Frederick accepted the need for public spending on houses, hospitals, schools, roads, universities, power stations and town halls. "But we must keep a sense of proportion," he said. "None of these are direct earners of export currency or provided new jobs in the scale we now require."

Sir Ronald McIntosh, director-general of the National Economic Development Office, said the first crisis which Britain faced was inflation, but just as immediate was the failure to tackle the underlying problems of low productivity and competitiveness.

He urged a three-year plan or programme under the aegis of NEDC designed to maximise the use of existing resources and give higher priority to manufacturing industry.

The first thing was to get agreement on the facts, identify the changes necessary and involve people in the solutions. Those three components added up to what the TUC considered a recipe for economic planning.

Mr. Murray maintained that the central issue was how to establish overall agreement on objectives—and how to get people to make their actions conform to those objectives.

The first thing was to get agreement on the facts, identify the changes necessary and involve people in the solutions. Those three components added up to what the TUC considered a recipe for economic planning.

Men and Matters Page 22

£5.5bn. deficit forecast

THE GAP between Government spending and revenue is now so great that the Government deficit inevitably rises with inflation; and rises in prices, rather than wages, cause the deficit to increase faster than the rate of inflation, according to calculations made by stockbrokers Phillips and Drew.

The report also estimates that, if the spending and revenue trends shown in the first two months of the present financial year held good through the rest of the year, the Consolidated Fund deficit would reach £5.5bn. Against a Budget estimate of £2.7bn., and the whole public sector borrowing requirement would rise from the official estimate of £3bn. to over £12bn.

African confidence in British Caledonian

BY LORNE BARLING

THE HOUSE of Commons West African Affairs Committee was warned yesterday that any uncertainty about the future of British Caledonian, whose operations are now under review, could damage relations with Africa.

Mr. John Cordle, MP, chairman of the committee, said that countries like Nigeria were expanding rapidly and it was important that confidence in the British flag carrier should not be endangered. At present, Nigeria was very satisfied with the service.

A statement issued later said that since BCAL took over the routes between London and Accra, Kano and Lagos five years ago the British share of the market had increased despite intense competition.

"BCAL provides a positive contribution over a wide trading area, but there is evident need now to demonstrate the long-term stability of these routes, which are an integral part of BCAL's wider market."

There is understandable foreign feeling of uncertainty, expanding rapidly and it was important that confidence in the British flag carrier should not be endangered. At present, Nigeria was very satisfied with the service.

This would benefit only foreign airlines and the states concerned that since BCAL took over the routes between London and Accra, Kano and Lagos five years ago the British share of the market had increased despite intense competition.

Rate of industrial price increases slows

BY PETER FOSTER

THE RATE of INCREASE in industrial prices in May slowed to its lowest level for more than a year, according to the latest survey from the Institute of Purchasing and Supply, published today.

The Institute's Price Monitor—which is based on increases notified by a cross-section of private and nationalised industries and local government—showed that there were 199 price increases during the month, the

lowest level since the monitor was started in 1973, and that their average fell for the third month running, to 10.10 per cent. from February's peak of 14.71 per cent.

The figures confirm the downward trend in manufacturers' prices indicated last week by figures from the Department of Industry, but the institute warns that the slowdown could be short lived given the continued rise in wage costs.

With wages costs continuing to escalate at their current rate," it says, "companies must be facing severe problems in meeting other expenditure. The trend towards fewer price rises in the current inflationary climate could lead to financial imbalance in the not so distant future."

It continues: "The current indications suggest that companies will shortly have to recover the high wage costs being paid now, if they are to secure adequate investment in production capacity for when demand returns."

New insurance control rules

NEW REGULATIONS have been published to enable the Secretary of State for Trade to decide whether an individual or company is fit and proper to become controller or chief executive, a director or a manager of an insurance company.

The information demanded will help the DoT to decide whether a prospective controller is a proper person and is intended to avoid difficulties which could arise if a controller is found to be unfit later.

Under the regulations the Secretary of State must inform the prospective controller if he intends to find him unfit and allow representations to be made.

No particulars of the DoT's grounds need be given in the case of new entrants to positions of control or executive function. Where the complaint is against existing controllers, the DoT must give particulars of its objections.

Control of fitness is seen by the DoT as an important element in the controls it can exercise over insurance companies and it is intended to exercise the new power with the objective of ensuring that, where there are doubts, the interests of the insurance company's policyholders rather than the interests of the prospective controller, should be paramount.

On the other hand, it is recognised that judgment of "fit and proper" persons must in the end be subjective (and can be challenged in the Courts or through Parliament) and must therefore be an imperfect barrier to new entrants to the insurance industry in some marginal cases.

Men and Matters Page 22

Paper output stays at low level

BY LORNE BARLING

PRODUCTION of paper and board in the U.K. is continuing at a very low level and prospects of an improvement in demand are poor, the British Paper and Board Industry Federation said yesterday.

Provisional figures for the first five months of the year showed a volume reduction of 22.9 per cent. compared with the corresponding period for last year. Imports also declined by 20.6 per cent.

The federation said: "Many mills are currently operating at around 50 per cent. of capacity, reflecting the continuing process of destocking by customers as last year's excessive increases in inventories are reduced. The lower level of U.K. economic activity is also affecting demand."

Compared with the first quarter of the year, newspaper production appeared to improve slightly, according to official figures for the first four months. Production rose from 23 per cent. below last year's level to 19 per cent. below.

Printings and writings fell from 20 per cent. down in the first quarter to 22 per cent. down in the four months, with falling

demand attributed to abnormally low stock levels being held by customers.

In the board sector, there has been little improvement, although it is felt that the market has reached bottom and there have been signs of some grades picking up. But increased taxation on cigarettes has been a severe blow to some suppliers of board.

Despite heavy pressure on Scandinavian suppliers of certain grades, due to the decline of sterling value, prices on most grades have remained steady so far. However, it is now generally agreed in the industry that no significant upturn in production is likely until the end of the year.

Nevertheless, Kimberley-Clark yesterday announced an expansion plan for its mill at Prudhoe, Northumberland, where disposable paper products are manufactured. About 300 new jobs will be created.

The final decision on a plan to double capacity has not yet been made. The company said it would depend largely on the economic situation and the rate of growth in the paper products market in particular.

PRODUCTION OF PAPER AND BOARD

	January-April 1975	17 weeks 1975	4 months 1974	% change
Newsprint	34.4	113.9	1974	-19%
Printings and writings, papers and boards	69.2	317.7	1974	-22%
Food wrappings	3.5	15.0	1974	-29%
Kraft wrappings	10.1	51.1	1974	-22%
Other wrapping and packing papers	66.9	238.7	1974	-27%
Household, toilet papers and tissues	29.0	117.5	1974	+3%
Other tissues	1.7	7.5	1974	+6%
Industrial and special purpose papers	15.9	59.7	1974	-37%
RUB TOTAL	230.7	921.1	1974	-21%
Packaging boards	52.1	224.4	1974	-29%
Boards for industrial and special purposes	14.7	54.4	1974	-74%
Other boards	3.7	12.7	1974	-21%
TOTAL BOARD	70.5	291.5	1974	-28%
excluding printing and building board	70.5	291.5	1974	-28%
TOTAL PAPER AND BOARD	301.2	1,212.6	1974	-24%
Building board	1.9	7.7	1974	-3%
TOTAL PAPER, BOARD AND BUILDING BOARD	303.2	1,220.4	1974	-23%

Totals do not always add due to rounding

Volkswagen Polo makes U.K. debut in September

BY TERRY DODSWORTH

THE Volkswagen Polo, smallest car in the new range of NSU design team, with the VW small cars, will make its appearance in Britain in September. With a 900 cc. water-cooled engine, it will be the first VW to have a power unit of less than 1,000 cc.

The Polo bears a close family resemblance to the Golf, and last month registered 2,510 sales in the U.K., second only to the Datsun Cherry among imported cars.

It was styled by the Audi NSU design team, with the Italian designer Bertone acting as consultant and shares the same basic body shell as the Audi 50.

Overall length is 11 feet 6 inches, (about 1 foot 6 inches longer than the Mini 850), and VW claims average fuel consumption of 40 mpg on two-star normal driving conditions.

cars. It was styled by the Audi NSU design team, with the Italian designer Bertone acting as consultant and shares the same basic body shell as the Audi 50.

Overall length is 11 feet 6 inches, (about 1 foot 6 inches longer than the Mini 850), and VW claims average fuel consumption of 40 mpg on two-star normal driving conditions.

It was styled by the Audi NSU design team, with the Italian designer Bertone acting as consultant and shares the same basic body shell as the Audi 50.

Overall length is 11 feet 6 inches, (about 1 foot 6 inches longer than the Mini 850), and VW claims average fuel consumption of 40 mpg on two-star normal driving conditions.

Expansion takes time. It will probably take at least a year—maybe more—to turn your plans into sites, new factories, plant and machinery.

Now is the time to start. Remember that in the Areas for Expansion we can help with cash, expert advice and the space for efficient expansion.

WHY THE AREAS FOR EXPANSION MEAN A BRIGHTER FUTURE

Here you could qualify for substantial financial help: grants of up to 22% on new buildings, plant and machinery; interest relief grants or loans on concessionary terms.

This help applies to manufacturers already in the Areas for Expansion who plan to expand or

modernise. Firms moving into an Area get this help and may also qualify for substantial help towards their removal costs.

If you want a quick start the Areas have ready-built factories. Or there are many sites for purpose-built premises to meet your specific needs.

There's a wide choice of locations too, served by a comprehensive transport network so you can decide which one meets the requirements of all your markets.

You'll find the Areas for Expansion really do offer you a wide range of opportunities.

HOW OUR EXPERTS CAN HELP YOU PLAN AHEAD

Preparing to expand needs practical help; and our Industrial Expansion Teams are ready to give you that help.

Because of their extensive local knowledge, they can help you find the best location and also help

you avoid mistakes that could prove expensive later. They'll discuss your plans in detail, show you round the Area you choose, and help arrange the financial assistance.

This service is free and confidential.

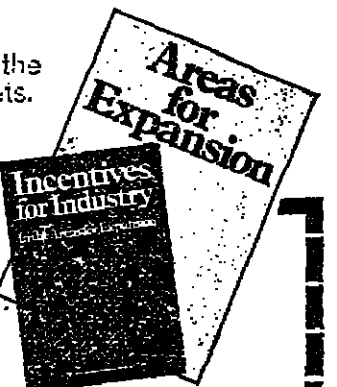
OFFICES AND SERVICE INDUSTRIES

Company offices, research and development units and service industry undertakings can also benefit from a move into the Areas for Expansion.

They can get up to five years rent-free office space, and generous removal grants.

HOW TO GET THE MOST OUT OF YOUR SIDE

Call us today or send the coupon for our free booklets. How about that for a start?



To: The Industrial Expansion Team, Department of Industry, Millbank Tower, Millbank, London SW1P 4QU

Please send me full details of the benefits available in the Areas for Expansion

Name _____
Position in Company _____
Company _____
Nature of Business _____
Address _____

121 06

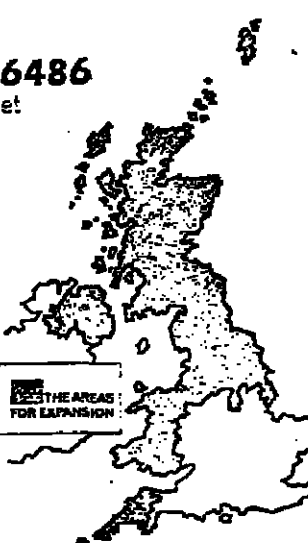
The Areas for Expansion

Wages and earnings

	Basic weekly rates July 1972	Percentage increase over 12 months	Index of average earnings Jan. 1970 = 100	Percentage increase over 12 months
December 1974	157.1	29.4	208.3	29.4
January 1975	158.9	29.1	206.2	23.6*
February 1975	161.1	29.9	209.9	34.4*
March 1975	168.1	33.5	212.8	27.9
April 1975	168.2	33.2	215.0	30.5
May 1975	174.2	32.4		

*Earnings in Jan./Feb. 1974 were depressed by 3 day week. **Seasonally adjusted.

ISSUED BY THE DEPARTMENT OF INDUSTRY



Scotland. Glasgow, tel: 041-248 2355
Wales. Tel: Cardiff 62131 (STD code 0222)
Northern Region. Tel: Newcastle upon Tyne 27575 (STD code 0632)
North West. Manchester, tel: 061-236 2171
Yorkshire & Humberside. Tel: Leeds 443171 (STD code 0532)
East Midlands. Tel: Nottingham 46121 (STD code 0602)
West Midlands. Birmingham, tel: 021-632 4111
South West. Tel: Plymouth 21891 (STD code 0752) or Bristol 291071 (STD code 0272)
London & South East. London, tel: 01-212 6343
Eastern Region. London, tel: 01-212 0239
Northern Ireland. Tel: Belfast 54498 (STD code 0232) or London 01-493 6601

HOME NEWS

The day oil finally came ashore

BY MICHAEL CASSELL

IT WAS, in the words of Mr. Anthony Wedgwood Benn, the newly-appointed Secretary for Energy, "an historic day of celebration" as the first oil extracted from the U.K. sector of the North Sea finally came ashore.

The historic spot chosen for the ceremony was British Petroleum's Isle of Grain refinery on the Thames Estuary and the honour of turning the valve which set the oil flowing from the North Sea to the refinery on to British soil fell to Mr. Benn, who was at pains to point out that although his ministerial responsibilities were new ones, he had been Minister of Power back in 1969.

The valve-turning ceremony itself was a few minutes early, which was certainly more than could be said for the oil itself, originally due from the Hamilton Brothers Argyll Field towards the end of last year. But neither that nor the fact that the nation's overall oil development programme is now running up to 18 months behind schedule was allowed to spoil yesterday's proceedings.

One of top ten

Mr. Fred Hamilton, chairman of Hamilton Brothers, the major partner in the five-company U.K. consortium which has brought Argyll to production in about two-and-a-half years, reminded assembled guests that June 18 had already been assured of a place in the history books as the day on which the Battle of Waterloo had been fought out, while Mr. Benn, on a predictably more technological than historical note likened the pro-

ceedings to the first run of Stevenson's Rocket.

The Minister had earlier swept down the Thames from London by hydrofoil to the Isle of Grain to thank, on behalf of all the British people, those who had made the landing of oil possible from such a brutal environment. "It was not he emphasised, in any position to make statements on energy policy, but merely wished to enjoy the significance of the occasion."

North Sea oil, Mr. Benn said, would not on its own solve the nation's problems, but Britain could now look forward to the early 1980s when it would rank among the world's ten largest oil producers and could boast "infinitely greater" energy resources than any other European nation. The part that coal and natural gas would play in this should not, he added hastily, be forgotten.

Fair return

Perhaps only too well aware of the part which foreign operators had played in developing the Argyll, as well as other North Sea fields, Mr. Benn continued, "The nation will expect us to make the largest possible British contribution to the development of our own oil resources. The Government expects North Sea oil operators to buy British wherever possible. We must raise the British share of equipment and supplies to well above its present level of under 50 per cent."

It is also the Government's responsibility to make certain that our oil resources are used wisely for the benefit of Britain as a whole and to see that the British people receive a full and



Mr. Anthony Wedgwood Benn (right) turns the valve to bring ashore Britain's first North Sea oil, aboard the tanker Theognositor at the Isle of Grain BP terminal. Helping the Energy Secretary Mr. Frederick Hamilton, chairman of Hamilton Bros.

fair return from its development."

The Argyll itself, in which Hamilton Brothers are partnered by Rio Tinto-Zinc, Associated Newspapers, Kleinwort Benson and Tescro, will be a relatively minor oil field producing 33,000 barrels a day, or 2 per cent. of

Britain's oil requirements. It should be completely eliminated.

As the first 15,000 tons of U.K. oil flowed on shore, Mr. Benn returned to London to brief him-

self on a series of forthcoming meetings with nationalised industry heads, which may prove somewhat less satisfying than yesterday's Ministerial duties.

ISLE OF GRAIN, Kent, June 18

Chancellor Crosland promises slaughter of housing's 'sacred cows'

By Margaret Reid

APPRECIATION OF the helpful approach of Mr. Denis Healey, Chancellor of the Exchequer, to problems which last year beset the Stock Exchange concerning the raising of capital for industry was expressed yesterday by the Exchange's retiring chairman, Mr. George Lovelady.

Mr. Lovelady, who next week hands over to Mr. Michael Marshall, pointed out the improvement in communication with Whitehall and the present "almost continuous" discussions with the Department of Trade and the Treasury.

"Mr. Healey particularly has adopted a most constructive approach," he said in London, adding that he thought they had been able to persuade the Government that it had not been the stock market's fault that needed cash for industry could not be raised in 1974.

He also pointed to the improved situation in 1975 and noted that the £624m. total of rights issues in the past four months to raise cash for British industrial and financial companies was "getting very near a record." It compared with the previous peak of £680m. in 1972.

Referring to the chairman's liaison committee, he said this enabled the Exchange to discuss policy matters—for example, the recent changes in commission arrangements—with other City associations.

BY JOE RENNISON

THE GOVERNMENT'S housing policy will not in future be influenced by any "sacred cows," political or otherwise, that have contributed to the country's present housing mess, according to Mr. Anthony Crosland, Secretary of State for the Environment.

"I shall set to with enthusiasm if I am convinced that the slaughter of some of these expensive beasts will result in better housing," he said. Speaking yesterday at a Housing Centre Trust conference in London, Mr. Crosland emphasised that the country must find a system of housing finance that was more equitable and efficient than the present "dog's breakfast." The answer to the problem is at present being considered by the Review of Housing Finance Committee, which includes representatives from many parties interested in the housing sector. The committee's findings are expected to be made public by next spring.

He said: "All employers would immediately face a substantial and unavoidable increase in their labour costs. Those in the private sector would accelerate the redundancies they are facing anyway. Those in the public sector—including many of the most labour intensive industries there—are would simply pass back the extra cost on to their financial deficits."

Mr. Crosland, Fitzgerald, the Irish Foreign Minister, will talk in London with Mr. Margaret Thatcher, probably tomorrow.

The visit is seen as an attempt to explore likely trends in Conservative thinking towards Northern Ireland.

PROGRESS IN OIL EXPLORATION

Boeing space expertise for Thistle Field

BY MAURICE IRVINE

THE AMERICAN aerospace company, Boeing, has joined companies in the North Sea to offer know-how in at least one field, the billion-barrel Thistle area, 250 miles North-East of Scotland.

Experts from Boeing's space and missiles department are now at work in Britain under a contract to be announced this week with Burmah Oil Development. Acting as consultants in systems reliability—a new role in the oil business—they will provide expertise acquired in the aerospace industry.

"You could draw a parallel between the North Sea race and our troubled U.S. space programme," a Boeing executive told me today. After a series of mishaps which culminated in the death of three astronauts in 1967, the U.S. Administration chose Boeing as an outside agency to monitor the space project.

Dr. Russell Hanks, 42, director of Boeing's newly-formed Off-

shore Systems Projects, said: "Our job is to provide engineering support to the Thistle production platform, the biggest so far in the North Sea, which will stand in 530 feet of stormy water and weigh upwards of 50,000 tons."

"Getting it built, towed hundreds of miles from Teesside, and safely installed, calls for many of the disciplines we applied to a Saturn-Apollo moon launch. Critical scheduling, reliability and safety, not to mention meeting cost targets, are key elements in the contract award."

Expert team

A group of 18 Boeing engineers and experts, headed by Mr. Robert Campbell, who has worked on the Apollo project and Boeing's Houston oil operations, are already in London. A dozen others will follow. After a six-week study on the spot, Mr. Campbell recently reported that many of the engineering problems en-

countered in the U.K. found a parallel in his space team's space and missile backgrounds.

The Thistle platform tower will dwarf a Saturn launch vehicle. It will be 600 feet high, 250 feet across the base and weigh 27,000 tons. Two of its hollow steel supporting legs, used for floating the structure to its site, will be 30 feet in diameter.

The tower is being built lying on its side at John Laing's graving dock at Hartlepool. It will be floated out next summer and towed by tugs to the Thistle Field. As the compartments are flooded, the tower will sink and tilt upright, then settle on the bottom with about 80 feet showing above sea level.

This difficult manoeuvre—at least one such platform sank while it was being positioned—has been compared with the countdown and launch of a space vehicle. "Events inside the tower will be determined by

computer," Dr. Hanks said. "Systems from a radio command control similar to launch control on Apollo missions. Simulation techniques will be used for training the men involved to expose them in advance to every conceivable emergency."

Summer period

The tower will be anchored by 200-foot steel piles driven into the ocean floor, then drilling, processing, power and control modules must be fitted by crane on to the decks with acromon.

All this will double the weight of the structure and must be installed quickly in the four-month period of summer weather between May and August, or the installation costs would rise considerably. The platform, rivaling in height Europe's tallest office buildings, must stand up to winter storms until work can

start next spring on drilling 60 wells several miles deep. Some estimates put the total cost of the project, up to the time the oil begins to flow, at close on £300m. The peak yield should be from 200,000 to 300,000 barrels—at least £2.5m. worth of oil—a day.

"Fabrication of platform components is being speeded up all over Europe," says Mr. Jack Barnes, a Boeing executive. "We started with a series of drawings and as work goes on, we are constantly suggesting new procedures and safeguards."

Q's Law

By such means it is hoped to avert the delays and failures which gave rise to "Q's Law"—named after Mr. Quentin Morris, finance co-ordinator for BP, whose first platform was installed last summer, a year late. This lays down that "no matter what stage of completion one reaches in a North Sea field, the cost of the remainder of the project remains constant."

Turning to the future, Mr. Barnes believes the natural marriage between aerospace technology and deepwater drilling will help win Boeing a good slice of the market as offshore operations expand in this hemisphere. "The North Sea Challenge will provide us with plenty more know-how for use elsewhere," he said.

SEATTLE, June 18

THE GOVERNMENT was warned by Mr. Austin Pearce, chairman of Esso Petroleum, of the dangers of telling the North Sea producing companies how much oil they should extract from their fields.

He told an Institute of Petroleum conference in Stratford-upon-Avon that the Government had direct power over the rate of depletion of oil reserves, and voices are heard demanding that the oil supplies, particularly from the North Sea, should be spun out over a long period by artificially restricting extraction rates.

But he added: "When we accept the need for the most careful management of oil and gas reserves, to prolong their economic life, we must also make it clear that the economic consequences of producing at levels below the levels for which installations were planned are very serious, unless there are compensating correctives."

It was vital, he added, that the companies made the most efficient use of their current investment, to ensure the re-investment in the new methods of energy generation when the oil was eventually used up.

Mr. Pearce said Government and public opinion simply did not "understand the economics which attracted the investment in oil fields. Projects are being undertaken which are uneconomic and which are a drain on the country's resources."

SEATTLE, June 18

THE BP oil platform Graythorp II—which is twice the height of Big Ben—was put into position in the Forties field early yesterday. It left Hartlepool on Sunday and was towed by tugs to its destination off Aberdeen.

The platform, which weighs 32,000 tons, is believed to be the largest steel structure in the world. It was built by Laing-Ormerod.

Crash flooding of the 463 feet platform—the third jacket structure for the field—occurred shortly after its arrival and three-and-a-half hours later it was resting safely on the seabed, some 110 miles East-North-East of Aberdeen.

It was less than a year that the first jacket, Graythorp I, was placed in the Forties field. Crude oil from this platform is expected to flow at a rate of about 30,000 barrels a day in the autumn.

Highland Two, the fourth and final jacket for the Forties field, is now completed. It is expected to be towed out to its location later this month.

Motor dealer wins HP appeal

WHEN A finance company and a motor dealer become the joint victims of a car hire-purchase fraud it has been the dealer who has had to bear the loss.

But by a majority decision in the Appeal Court yesterday the ruling has now been reversed. The court had been dealing with a case in which a man bought a car on hire-purchase terms from the finance company Moorgate Mercantile Co. Ltd. and then sold it to a dealer, Mr. Alfred Twichings, of Finsbury Park, London, without having paid any instalments.

The h.p. transaction should have been registered with Hire Purchase Information, an organisation set up to provide information to combat fraud, but it was never filed.

Lord Denning, Master of the Rolls, said HPI was so widely used by the motor trade that if a dealer or auctioneer asked HPI whether or not a car was on hire-purchase, he could rely on the answer as being accurate in 98 per cent. of cases.

Lord Justice Browne agreed that Mr. Twichings' appeal, from a Clerkenwell County Court ruling that he must pay the finance company £279 damages for conversion, be allowed. But Lord Justice Geoffrey Lane disagreed, considering that the court was bound to abide by the Appeal Court's 1961 decision. Judgment was given for Mr. Twichings, but the finance company was given leave to appeal to the House of Lords.

Esso chairman gives North Sea warning

SEATTLE, June 18

THE GOVERNMENT was warned by Mr. Austin Pearce, chairman of Esso Petroleum, of the dangers of telling the North Sea producing companies how much oil they should extract from their fields.

He told an Institute of Petroleum conference in Stratford-upon-Avon that the Government had direct power over the rate of depletion of oil reserves, and voices are heard demanding that the oil supplies, particularly from the North Sea, should be spun out over a long period by artificially restricting extraction rates.

But he added: "When we accept the need for the most careful management of oil and gas reserves, to prolong their economic life, we must also make it clear that the economic consequences of producing at levels below the levels for which installations were planned are very serious, unless there are compensating correctives."

It was vital, he added, that the companies made the most efficient use of their current investment, to ensure the re-investment in the new methods of energy generation when the oil was eventually used up.

Mr. Pearce said Government and public opinion simply did not "understand the economics which attracted the investment in oil fields. Projects are being undertaken which are uneconomic and which are a drain on the country's resources."

Graythorp II in position

SEATTLE, June 18

THE BP oil platform Graythorp II—which is twice the height of Big Ben—was put into position in the Forties field early yesterday. It left Hartlepool on Sunday and was towed by tugs to its destination off Aberdeen.

The platform, which weighs 32,000 tons, is believed to be the largest steel structure in the world. It was built by Laing-Ormerod.

Crash flooding of the 463 feet platform—the third jacket structure for the field—occurred shortly after its arrival and three-and-a-half hours later it was resting safely on the seabed, some 110 miles East-North-East of Aberdeen.

It was less than a year that the first jacket, Graythorp I, was placed in the Forties field. Crude oil from this platform is expected to flow at a rate of about 30,000 barrels a day in the autumn.

Highland Two, the fourth and final jacket for the Forties field, is now completed. It is expected to be towed out to its location later this month.



Last year
Peking & Tokyo.



This year, New York.

New Yorkers will see the 'Homa', ancient Persia's legendary bird, five times weekly on the tailplanes of Iran Air's all-Boeing fleet.

Our 'Homa' network now embraces places as far apart as New York, London, Tehran, Peking and Tokyo. Ultra modern Boeing comfort and sky high standards of passenger care are helping to make Iran Air one of the fastest growing names in the airline world. Your travel agent has our latest schedules, or contact Iran Air at 73 Piccadilly, London W1. Tel: 01-491 3656 or 17/25 Sloane St, SW1. Tel: 01-235 8127/28.

New York, London, Paris, Frankfurt, Vienna, Geneva, Zurich, Rome, Moscow, Athens, Istanbul, Tehran, Baghdad, Kuwait, Bahrain, Abu Dhabi, Dhahran, Dubai, Doha, Muscat, Kabul, Karachi, Bombay, Peking, Tokyo. Also sales offices in Beirut, Milan, Hamburg, Los Angeles and Houston.

ایران ایر IRAN AIR

All of these Securities have been sold. This announcement appears as a matter of record only.

\$100,000,000

Squibb Corporation

8% Notes Due 1985

Interest payable June 15 and December 15

MORGAN STANLEY & CO.

BLUTH EASTMAN DILLON & CO.

MERRILL LYNCH, PIERCE, FENNER & SMITH

WERTHEIM & CO., INC.

DILLON, READ & CO. INC.

DREXEL BURNHAM & CO.

GOLDMAN, SACHS & CO.

HALSEY, STUART & CO. INC.

HORNBLOWER & WEEKS-HEMPHILL, NOYES

E. F. HUTTON & COMPANY INC.

KIDDER, PEABODY & CO.

KÜHN, LOEB & CO.

LAZARD FRERES & CO.

LEHMAN BROTHERS

LOEB, RHOADES & CO.

PAINE, WEBBER, JACKSON & CURTIS

REYNOLDS SECURITIES INC.

SMITH, BARNEY & CO.

WHITE, WELD & CO.

DEAN WITTER & CO.

MORGAN GRENFELL & CO.

June 19, 1975.

"Who the devil does ITT think it is?"

ITT is an international group of companies owned by an American parent, but run autonomously by local management.

In Britain, ITT's major companies include such famous names as Abbey Life Assurance, Sheraton hotels, and Rimmel cosmetics.

As well as some less well-known names who produce well-known products.

Ashe Laboratories, for example, who manufacture Amplex, Sucron and other familiar household products.

ITT Consumer Products, whose somewhat formal name hardly does justice to its popular televisions, radios and record players.

And Standard Telephones and Cables, ITT's largest British company, in the forefront of world telecommunications.

Unlike Rimmel, their name may not be on everyone's lips.

But like Rimmel, their products certainly are.

For further information please write to 190 Strand, London WC2R 1DU.

ITT companies in Britain include:

Abbey Life Assurance, Ashe Laboratories, Excess Insurance, ITT Consumer Products, Rimmel, Sheraton, Standard Telephones and Cables, and Standard Telecommunication Laboratories.

ITT

"Does ITT give a damn about Britain's balance of payments?"

Facts can sometimes be uncomfortable. Especially when they shatter a popular myth.

In ITT's case, the myth is that, as a multinational company, its only interest in Britain is how much money it can get out of it.

And the facts?

Last year, ITT companies in Britain paid over £12 million in Corporation Tax and more than £73 million in wages and salaries. They invested £86 million in new production facilities and £9.5 million in research and development.

This year, these same companies will earn more than £50 million in exports and spend less than £30 million on imports. (And the imports are nearly all essential raw materials.)

After shareholders have been paid a dividend, the net contribution to Britain's balance of payments will still be more than £11 million.

And that's a fact.

For further information please write to 190 Strand, London WC2R 1DU.

ITT companies in Britain include:

Abbey Life Assurance, Ashe Laboratories, Excess Insurance, ITT Consumer Products, Rimmel, Sheraton, Standard Telephones and Cables, and Standard Telecommunication Laboratories.

ITT

"Why would ITT want to invest in Britain at a time like this?"

For many years now, ITT companies have been investing in the British economy in a big way.

Since early 1970, for example, their investment in buildings, equipment and machinery in the UK has totalled £43 million, much of it in Government designated development areas.

Not to mention the £76 million that went into British research, development and engineering during the same period.

All of which is long term investment, with export and employment implications stretching into the 80s and beyond.

But what about 1975 itself?

And what about all those gloomy forecasts about Britain's future?

As far as ITT is concerned, there were good reasons for investing in Britain for the last 30 years. And there are equally good reasons this year.

So ITT companies plan to invest at least another £12 million on buildings, equipment and machinery in Britain during 1975.

Which represents not only a £4 million increase on the ITT average over the last five years, but also a pretty unambiguous vote of confidence in Britain's long term future.

For further information please write to 190 Strand, London WC2R 1DU.

ITT companies in Britain include:

Abbey Life Assurance, Ashe Laboratories, Excess Insurance, ITT Consumer Products, Rimmel, Sheraton, Standard Telephones and Cables, and Standard Telecommunication Laboratories.

ITT

"Why should ITT care tuppence about British technology?"

With its Headquarters in the United States, ITT might be expected to concentrate its research effort there, too.

But it doesn't.

On the contrary, wherever ITT does business, it also invests in research and development.

In Britain, for example, ITT employs over 2,000 scientists and engineers on research and development, a quarter of them at Standard Telecommunication Laboratories, Harlow, the largest of ITT's four major research centres in Europe.

Among the research fields pioneered at Harlow has been that of fibre optics, which has the potential to transmit hundreds of thousands of separate telephone conversations over a glass thread no thicker than a human hair.

Apart from playing its part in helping to maintain Britain's status as a technological world leader, ITT's research investment policy has made an impact in terms of hard cash.

Over the last five years, ITT has invested over £78 million in British research, £11.5 million in 1974 alone. And if associated engineering costs are included, the five year total comes up to over £76 million.

Which is a good deal more than tuppence in anybody's language.

For further information, including a new 24-page publication "Facts about ITT in Europe" write to 190 Strand, London WC2R 1DU.

ITT companies in Britain include:

Abbey Life Assurance, Ashe Laboratories, Excess Insurance, ITT Consumer Products, Rimmel, Sheraton, Standard Telephones and Cables, and Standard Telecommunication Laboratories.

ITT

What more can we say?

At ITT, we're happy when people talk about us. We're even happier when what they're saying is based on facts, rather than gossip.

So, over the last few months, we've been running a special corporate advertising campaign.

You may have noticed some of the ads. (For those of you who didn't, we've reproduced them all above.)

In the campaign, we set out some of the key facts about ITT in the UK, and in particular the relationship between ITT's operations and the British economy.

But four advertisements can't tell the whole story on their own.

So we've produced a comprehensive booklet for people who want more information.

It's called "Facts about ITT in Europe."

As its name suggests, the booklet explains where and how ITT operates throughout Europe.

How many people it employs, and where they come from.

Who runs it. How it's managed.

"Facts about ITT in Europe" is yours, free.

Please use this coupon to send for your copy:

To: 190 Strand, London WC2R 1DU.
Please send me a copy of "Facts about ITT in Europe"

Name _____

Address _____

ITT companies in Britain include: Abbey Life Assurance, Ashe Laboratories, Excess Insurance, ITT Consumer Products, Rimmel, Sheraton, Standard Telephones and Cables and Standard Telecommunication Laboratories.

ITT

LABOUR NEWS

Scottish miners will take tough line against contract

BY CHRIS SAUR, SCOTTISH CORRESPONDENT

THE Scottish miners this week launch their own attack on the social contract with a demand, almost certain to be carried at their annual conference in August, for a massive wage increase which would give some underground workers £5,000 a year.

The militant Scottish and South Wales miners are fully expected to line up behind the call for a £100-a-week wage for the faceworkers, which will be spearheaded at the NUM's annual conference next month by Yorkshire area president Mr. Arthur Scargill. In addition, the Yorkshire and Welsh miners are expected to back their Scottish colleagues in seeking a four-day working week.

But the militants will not have it all their own way, and moderate

led by Nottingham NUM president Mr. Len Clarke are expected to try to head off this bid to tie the union negotiators to such high targets. They say that the annual conference sets its sights on achieving "substantial" pay increases.

Ministers have already launched a campaign aimed at influencing the NUM against setting too high a pay target which could seriously affect the TUC's chances of revamping the social contract. The Prime Minister is due to address the national conference where voting on the key wages issue is likely to be close.

Several resolutions at the Scottish conference call for very substantial and immediate increases over the present weekly rates.

The amounts listed as the new

objectives in these categories range from £70-£75 for surface workers, £80-£85 for underground men and £90-£100 for face workers.

Mr. Michael McGuire, Scottish area president and national vice-president of the NUM, said he hoped delegates would give full support to the maximum claim.

He answered "those critics who accuse us of being irresponsible militants and continually reminding us of the social contract," by saying that the last wage rise awarded in March had already been substantially reduced by tax and price rises caused largely by the last Budget.

"Even in our own ranks," he said, "there were some doubtful Thomases; but speak to them now and their doubt is whether £100 a week is enough."

Oil tanker drivers add threshold deals to 20% pay rise

BY CHRISTIAN TYLER, LABOUR STAFF

SOME 8,300 oil delivery drivers for Esso and Shell-Mex and BP have secured new threshold agreements in addition to a 20 per cent. pay rise from May.

Set to trigger after a 5 per cent. rise in the retail price index, the thresholds seem likely to give the drivers a further 5 per cent. pay rise—about £250 a week—with publication of the June index figure next month.

The drivers will get a further 5 per cent. when the RPI moves another five percentage points.

The principal deals—almost identical in the two companies—consist of 15 per cent. new money; the balance of 5 per cent. is the value of existing threshold payments consolidated into basic rates. The main rate for drivers of 32-ton tankers, moves from £44.85 to £53.85 at Esso and is probably similar at Shell-Mex and BP.

Although a small group, these drivers have considerable industrial power, and last year were among the first to win "topping up" increases ahead of the expiry of Stage Three of statutory pay control last July.

Their double increase followed industrial action that hit fuel supplies and it was negotiated on the advice of Mr. Michael Foot, Employment Secretary.

It underlined fears that post-Stage Three settlements, coupled with Stage Three threshold money, would push the rate of wage settlements up to 20 per cent. by the late autumn.

This year's principal settlement, by contrast, is well within the social contract's guidelines. But the inclusion of a new threshold agreement triggering so early in the life of the deal breaches the Government's own interpretation of allowable future protection.

The drivers are set to collect another 10 per cent. before the

end of the year, bringing their rises to the 30 per cent. level already established by many large groups, particularly in the public sector.

ASTMS dispute with GEC 'could hit North Sea oil'

BY OUR LABOUR STAFF

MR. ANTHONY WEDGWOOD BENN has been asked to intervene in his new capacity as Energy Secretary in a long-standing labour dispute between General Electric Company and the Association of Scientific, Technical and Managerial Staffs (ASTMS).

ASTMS claims that the dispute, which has stopped all GEC work installing telephone exchanges for the Post Office, could threaten the supply of North Sea oil and gas if it goes on much longer.

All work has stopped on new telecommunications links between oil rigs and computer terminals on shore which will eventually control the flow of oil, the union claims.

A spokesman for GEC dismissed the claim that the dispute could be a serious threat to the supply of North Sea oil. The Post Office would not comment directly but acknowledged that if and when work should resume, one of its priorities would be to continue the extension of telecommunications links in Scotland and the North-East to link up with offshore installations.

GEC decided in early April to stop all work installing telephone exchanges for the Post Office when the 1,500 ASTMS members it employed on this work started a work-to-rule campaign in support of its claim.

Some 3,800 manual workers were laid off as a result. GEC had been working at some 300 exchanges at the time, and about 90 more were to have been started since.

Mr. Clive Jenkins, general secretary of ASTMS, yesterday told a "Pride" conference that GEC would be a special target in one of the next editions of a new paper the union is launching to enlighten graduates on the job market.

A "cordon sanitaire" had to be erected around GEC for the time being until the company gave better treatment to its qualified and skilled workers, he said.

AUEW conference calls for new economic policy

BY JOHN WYLES, LABOUR REPORTER

THE Amalgamated Union of Engineering Workers' annual conference yesterday followed up its rejection of the social contract on Tuesday with calls for a radical economic policy based on increased social spending, cuts in arms expenditure and controls on the export of capital.

In addition, strong support for a variety of resolutions on nationalisation maintained the AUEW's industrial policy on a firm left-wing course in the absence of the union's president, Mr. Hugh Scanlon, who left the conference at mid-day so as to take part in TUC meetings with the Prime Minister and the CBI.

Having committed Mr. Scanlon to arguing against the social contract in all TUC discussions on pay policy, delegates yesterday instructed the AUEW president

and his national executive to press for an economic programme which, according to one speaker, would "make an enormous dent in unemployment and in Britain's economic problems."

On top of social spending rises and moves against arms spending and the export of capital, the programme calls for an attack on unemployment by increased "purchasing power," pensions and other benefits.

MORE NEW JOBS IN LIVINGSTONE

Livingstone New Town Development Corporation yesterday reported an employment boost which will eventually mean 330 new jobs. Eight concerns are to move into advance factories raising to 20 the total of companies sited on the Houston Estate.

TUC again seeks action on Shrewsbury pickets

BY OUR LABOUR STAFF

TUC LEADERS asked the Home Secretary, Mr. Roy Jenkins, again yesterday to act on the two jailed building pickets.

Mr. Jenkins took no new line, but reminded them that he has allowed a special parole review for the men, Eric Tomlinson and Des Warren.

Tomlinson's parole review may already be under way and complete by the end of the month. Warren's will be in September, around the time of the annual Trades Union Congress when Left wingers could raise the issue again.

Tomlinson, jailed for two years, could in any case be free by October, given full remission, while Warren, with a three-year sentence, could be out by next July. Their applications for

parole earlier this year were rejected.

The TUC also pressed its case for an early review of the conspiracy laws as they affect industrial disputes. They were given no sign that the Law Commission, which is looking at conspiracy law generally, would report in advance on this one aspect.

BAKERS UNION SECRETARY DIES

Mr. Stanley Gorton, 34, general secretary of the 50,000-strong Bakers Union, died at his London home on Tuesday night.

He had been general secretary since 1968, and in 1973 was awarded the OBE for work within the trade union movement which included being a member of the TUC general council from 1969.

Strike at Port Talbot spreads

BY LESLIE OLLIVER, LABOUR STAFF

ANOTHER 200 men yesterday joined the strike of steel workers at Port Talbot, protesting at the loss of week-end work under BSC's alternative strategy to redundancies, bringing the number on strike to over 3,000.

But full work resumed at the other South Wales BSC plant at Llanwern where some 300 men had come out on Monday over the same grievance.

There were some suggestions last night that the whole of Port Talbot, one of BSC's most important plants, could be brought to a standstill if all the 8,000 members of the Iron and Steel Trades Confederation employed there joined the strike.

But talks between the management and local union officials are still continuing, and a senior union man will be in Port Talbot on Friday. The ISTC executive is expected to discuss the strike situation at a routine meeting to-day.

By yesterday afternoon, the strike had stopped all steel output at Port Talbot.

THE two-month-long strike by return on the original manning end overtime is being worked to keep up with demand.

After five weeks of unsuccessful attempts to get Ford to go to arbitration on the issue, the Amalgamated Union of Engineering Workers and the Transport and General Workers' Union eventually gave the strikers official support.

By a narrow majority, the 80 strikers agreed to resume work on reduced manning levels of 21 per shift as opposed to the old level of 25. This interim settlement, which represents a concession by both sides as management wanted 18, will apply pending a two-week job evaluation study and allows full production to resume at Dagenham from Monday.

Ford has made no attempt to hide the fact that the proposed reduction in doorhangers' manning levels were just part of efficiency moves throughout its plants. Shop stewards fear that they may be just the tip of the iceberg of labour cut-backs and production speed-ups which management will try to force through while the depressed car market tilts the balance of industrial power in the company's favour.

These were the main considerations behind the past seven weeks of deadlock when the management insisted that the Dagenham production lines could only be reopened on the revised manning levels—that is, 18 instead of 25 a shift—and the 80 strikers, who received little support from their fellow workers, saying they would only

NEWS ANALYSIS—FORD

The management's turn

BY ROY ROGERS, LABOUR CORRESPONDENT

As a result of this deadlock, all car production at the giant Dagenham complex was brought to a halt and 5,000 assembly workers made idle. But even without any production of the Cortina, Consul and Granada models since the end of April, huge stocks held by dealers enabled the Cortina to take second place in the car sales league last month—with almost 8,000 sales.

Ford was assisted in its May sales effort by its relatively new computerised car locator system which locates models held by dealers so that unless a customer wanted a most unusual specification of vehicle he was satisfied from stocks quicker than ordering one from scratch when the production lines are running normally.

The only car to top the sales effort was Ford's own Escort, notching up more than 9,100 sales. Escort production, however, is at Ford's Halewood plant where, contrary to the short-time working trend throughout the industry, week-

with efficiency moves that they warned of last October at the time the £68m. two-year pay deal was concluded for Ford's 52,000 manual workers.

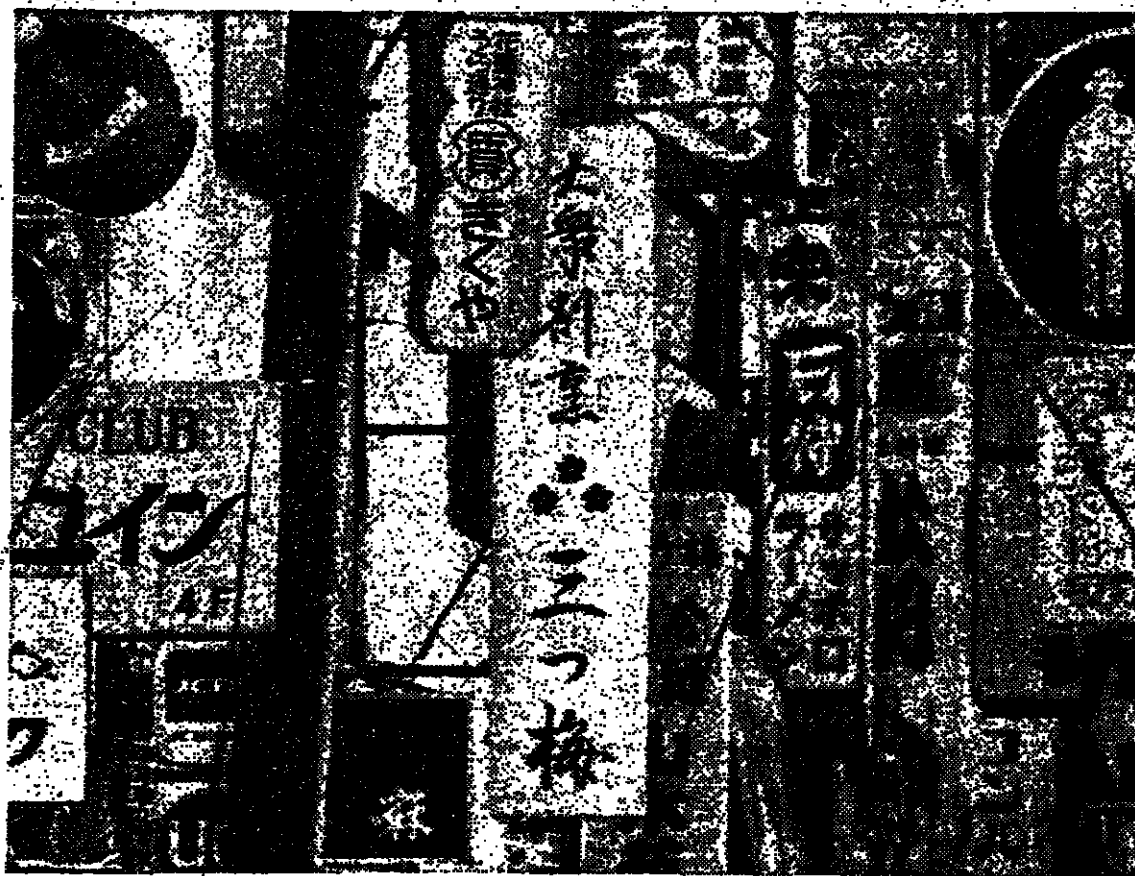
In the main, efficiency moves attempted so far have been reasonably well received, although in April there was a two-day strike by 2,000 men at the company's Swansea axle plant in a dispute over increased performance targets. Stewards attempted to stage similar action at Dagenham over the doorhangers' dispute, but this proved abortive.

By standing firm at a time when they could afford to, Ford has achieved a considerable breakthrough by getting the doorhangers to accept air interim reduction in their manning.

At the same time, the new and resulting lay-offs have helped to "shake out" many Ford workers—2,000 have left Dagenham so far this year—making it unlikely that Ford will have to introduce a costly voluntary severance scheme which other motor manufacturers have been forced to adopt to reduce their labour forces in line with the drop in demand for cars.

It will also, for the time being, lift a threat of further short-time working at Dagenham where many assembly workers have been on a three-day week for several months. A company spokesman said yesterday that there would be full working at least until the plant shuts down for the annual holidays on July 25.

When you go to Japan to do business, you need all the help you can get.



The JAL Executive Service makes sure that you get that help—before you go, on the way and when you get there. You'll discover that it's good business to do business with JAL. And always a pleasure.

Agriculture is a major preoccupation of the European Court. But its decisions are overlooked in the U.K., argues A. H. Hermann

Some thought for food from Luxembourg

OF THE CASES referred to food trade appear to be un- the European Court in Luxem- aware of the administrative and bourg, more than one-third con- legal machinery of the EEC cern agriculture. Most recently devised for their benefit is not the Court has turned its atten- so much disinterest but rather tion to the surviving national the complicated and bewildering marketing systems for agricul- nature of the Community tural products and, contrary to regulations. In one of his recent the EEC Commission's doctrine opinions, Mr. Advocate-General in this matter, has outlawed J. P. Warner expressed his them.

Bewildering

This radical line reappeared earlier this week in the Conclu- sions presented to the Court by its Advocate General in the "Sugar Ring" case. M. Henri Mayras found that the Italian national system of pricefixing for sugar left no room for com- petition (which consequently could not be distorted by the refinery companies previously fined by the Commission) and that the Commission had failed to take action against the Italian marketing system, as it could have done under Treaty of Rome rules.

As British food trade is, in comparison with the Continent, free and unprotected by quotas and other restrictions, it can only benefit from such liberali- sation of European agricultural markets. The paradox, there- fore, is that so far not a single British food trader has made use of the EEC Court.

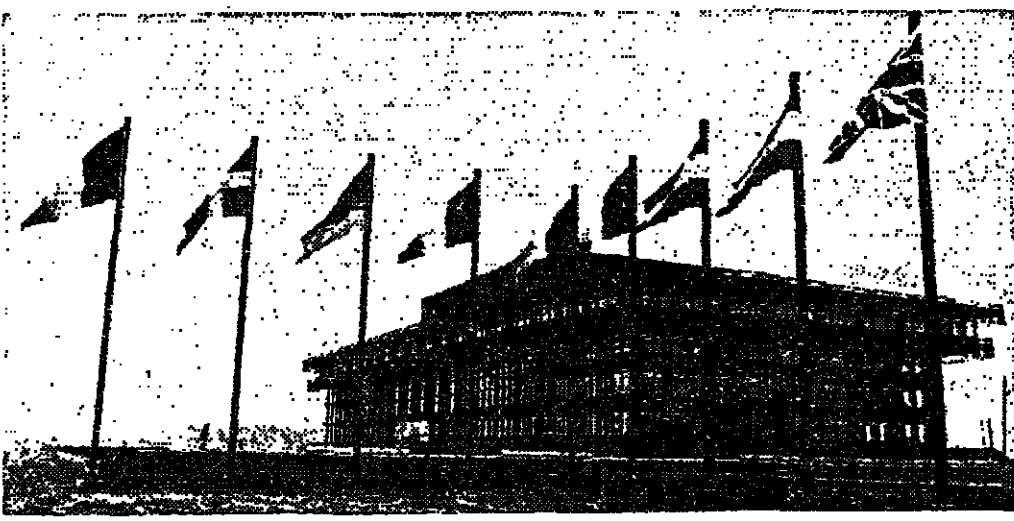
One of the major reasons why British farmers and the British

are aware of the administrative and legal machinery of the EEC devised for their benefit is not so much disinterest but rather the complicated and bewildering nature of the Community regulations. In one of his recent opinions, Mr. Advocate-General J. P. Warner expressed his "greatest sympathy with those who call for frequent consolida- tion of Community legislation... since such legislation often has to be understood and applied not only by lawyers but also by traders and officials in the member States under the pressures of everyday work."

Yet as things are now "it is difficult for anyone to be at any time confident that he has not overlooked any relevant provi- sions," he added. Having said that much about the regulations, Mr. Warner gave a 22-page opinion about the form a German exporter is required to fill in under the "general rules for granting export refunds for pig, meat."

Interpretation

Even if all the regulations covering EEC transactions are to hand, and annotated with all amendments, there is still the question of their interpretation by the Luxembourg judges. This will often differ from the interpretation of an English court. This point is well- illustrated by the Court's de-



The Courthouse in Luxembourg: more than one third of the Court's cases concern agriculture but not a single British food trader has yet made use of the Court.

cision in Case 2/75 handed it down at the end of May. The reason for the decision was an attempt by the German Govern- ment to end speculation in cereals by German dealers. When the price of cereals falls the intervention agencies have a duty to buy cereals offered from stocks within their area at a price fixed by the Com- mission. In 1969 the devalua- tion of the French franc made it profitable to buy cereals in France and to resell them to the German Intervention Agency. So great was the quantity of grain offered in this way that but only en route from France.

The German importer, who normally would have had plenty of time to validate his offer of grain "from a stock held in Germany," looked to Luxem- bourg for help, but in vain. The European Court said that the rules of the game must be interpreted with regard to the EEC objectives. The interven- tion scheme was established to guarantee to producers reason- able prices whenever sales under normal conditions of profit were not possible; it was not established to facilitate speculation.

In a similar category but of

more direct implication for British food imports is the European Court's rejection of the claim for damages made by the Compagnie Continentale France, Paris, against the Council of the EEC. The French firm, a noted exporter of cereals, asked for compensa- tion amounting to over Frs.5.7m. for damage which it suffered because the compensatory pay- ments due on exports of cereals from France to the U.K. at the time when its contracts were made, were subsequently lowered by a new regulation adopted by the Council (Case 169/69).

The Act of Accession provided for a number of measures designed to bridge the dis- crepancy in price levels during the transitional period by com- pensatory payments. The French exporter complained that the Council fixed the compensatory payments for trade with the U.K. at 42.33 units of account per metric ton by its resolution of July 20, 1972, but subsequently amended the amount by a regulation of January 31, 1973, without safeguarding the position of exporters who had already entered into contracts for the 1972/73 marketing year.

Flexibility

In rejecting the claim for damages the European Court pointed out that, according to the Act of Accession, the com-

pensatory amounts could not exceed the total amount levied on imports from third countries and that the flexibility of the compensatory amounts was in this way anchored in the Act of Accession and was not newly introduced by the Council. The Court also came to the con- clusion that the exporter was fully informed of the conditions of the market and could not be unaware of the consequences which development would have for compensatory amounts.

A more cheering example for those who hope at least to save some money with the help of the Luxembourg judges, is the decision which relieved W. Chadsky of the obligation to pay quality control fees for vegeta- bles exported to Germany. These fees are levied by the Italian Institute for Foreign Trade, and though only small amounts were involved, the ruling may well apply to more important turnovers in Italy or in other member States.

The Court had earlier decided that export duties need not be paid when exporting from one EEC country to another, but this was the first occasion that the Court was asked to determine whether a fee, levied in connection with an export service, falls into the category of charges which have an effect equivalent to customs duties and are therefore pro- hibited. The Court said that the inspection cannot be re- garded as being for the specific benefit of the individual ex- porter. The fee relates to a mandatory inspection of the quality of exported products and it makes no difference that it is not levied by the Govern- ment but by an independent agency. It must be deemed which they enjoyed under their national schemes. Without such guarantees, argues the Com- mission, member States cannot be forced to abolish the protective measures of their national marketing systems.

Liberalisation

Though the Treaty provided that the national organisations should disappear by 1989, it also provided for a method of their gradual replacement by means of long-term agreements of price levels. The Common Market in agricultural products was intended by the Treaty to provide farming interests with guarantees equivalent to those which they enjoyed under their national schemes. Without such guarantees, argues the Com- mission, member States cannot be forced to abolish the protective measures of their national marketing systems.

Although such disputes over export and import duties, levies, compensatory payments and speculation relating to them are still the daily bread of the European Court, its judges have recently lifted their sights to pursue a higher quest—a greater integration of the EEC food market by the elimination of the remaining national marketing systems. British food markets are generally free from the restrictions frequently im- posed on those who wish to participate in such markets on the continent. An example of such tying of dealers to a particular market was the agree- ment concluded between an association of the main Dutch fruit importers and another trade association to which prac- tically all Dutch fruit whole- salers belong, known under the abbreviated name of FRUBO. In order to be allowed to take part in the Rotterdam auctions, through which about 80 per cent of all citrus fruit is sold in the Netherlands, both im- porters and wholesalers had to undertake that they would sell or buy citrus fruit grown outside the Common Market exclusively at these auction sales (Case 79/74).

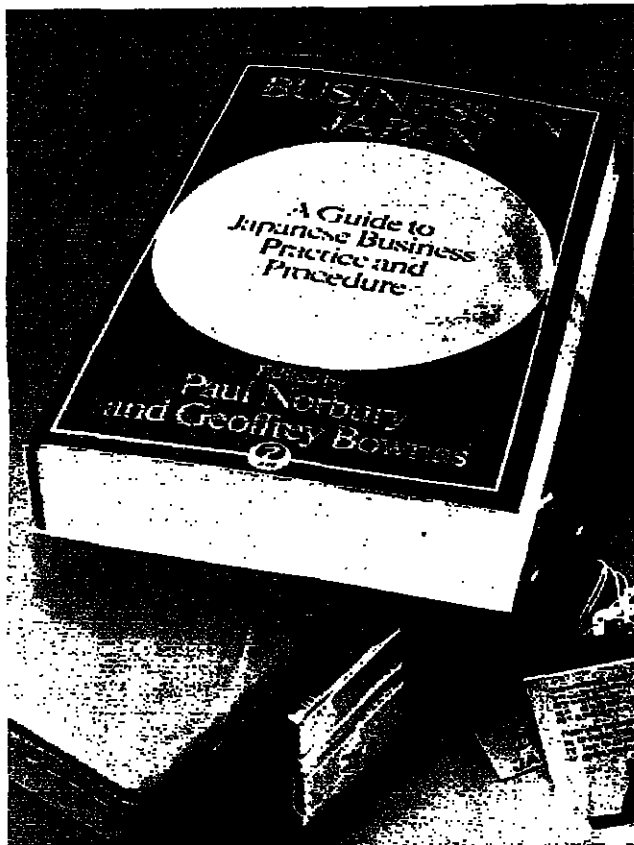
After this breakthrough in EEC policy tolerating politically significant national quota sys- tem for the imports of food- stuffs (the French government preferred imports of bananas from countries which main- tained a "special relationship" with France to the detriment of other countries associated with the Community under the Yaounde Convention) the Court proceeded to unfold its new radical doctrine of "integration first" in several judgments.

In January in the case (Case 31/74) of Filippo Galli, the Court ruled out national price regulation in sectors covered by a Common Market price system. It also stated quite clearly that the free movement of goods even in the field of agriculture is enforceable by private actions.

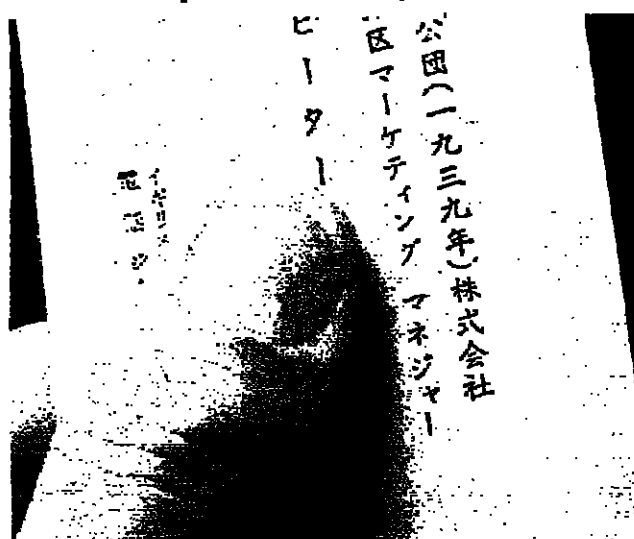
In a case (Case 51/74) concern- ing Dutch bulbs, the Court ruled out national interven- tion in the support of pro- ducts, which do not correspond allowed wholesalers to buy Community quality stan- dards. All these judgments show the European Court, in its new role as a pioneer of European integration, more ardent and also more powerful than the EEC Commission.

can be done only on the basis of

This much.



A little reading on the way could put you way ahead of the competition.



Bi-lingual cards are essential in Japan. For a small charge, we'll print yours.



Hostesses in the air, Hospitality Girls on the ground. The friendliest smile anywhere.



Little things mean a lot in Japan. So send flowers, and leave the arrangements to us.



The JAL Business Information Service: the price of a phone call before you go will buy priceless information.

The JAL Executive Service Lounge. Your own office facilities in Tokyo—with everything you need except overheads.



JAPAN AIR LINES



Take off in Cumbernauld

Some very successful companies have launched themselves from Cumbernauld. Come and talk to them—about grants and tax concessions, and about the quality and availability of labour. We'll put you in touch—and send our "Business Guide". Write to 8 Cumbernauld House, Cumbernauld G67 3JH, or ring 02367 21155.



Cumbernauld Development Corporation

FINANCIAL TIMES SURVEY

Thursday June 19 1975

SWISS CAPITAL MARKET

Foreign exchange losses and difficulties for some smaller banks have affected the Swiss financial world's image during the past year and have led to the imposition of tighter controls. At home, in spite of concern over the unemployment rate, there is little cause for serious gloom.

Backs to the wall

Although minuscule by the standards of, say, the United States (where nearly 40 per cent. of black teenagers are unemployed at present and the overall ratio stands at 9.2 per cent.), Switzerland now has higher unemployment than for decades. Moreover, much of the elasticity in the situation has already been taken up—the number of foreign workers has fallen dramatically and about 5 per cent. of the workforce is on short time. As one Swiss banker comments ruefully, it is possible for the first time in many years to find a chariade of Swiss nationality.

The balance of payments situation is seen as a two-edged problem. On the one hand, the fact that the current account continued in surplus last year only intensified the upward pressure on the Swiss franc. On the other, with the fall off in world trade, the sharp upward movement of the franc rate and the economy expected to start picking up soon, it is feared that the swing into deficit will be rather sharper than the Swiss would wish. Last year the increase in the trade deficit was smaller than the rise in the oil bill, and the export industries (notably tourism) were not nearly so badly hit as has sometimes been made out. However, there is no doubt that they are under considerable pressure now, and what is particularly feared is that they are being so badly affected that they will not be able to pick up their foreign markets again if and when the Swiss franc rate falls to more realistic levels. The policy of sharp deflation which might have appeared the answer to these problems has been rejected because the authorities are reluctant to lose the ground won with such difficulty in the fight against inflation. Even now Swiss consumer prices are some 9 per cent. higher than a year ago. Despite some relaxation the policy of monetary stringency has been maintained more strongly in Switzerland than elsewhere.

Dilemma

As Dr. Hans Mast of Credit Suisse pointed out at a time when the doubts about the future of the dollar were still widespread, Treasury yields were already lower than franc federal bond yields. The Swiss authorities have faced their dilemma with a selective approach. This involves moves to dampen upward pressure on the Swiss franc combined with some monetary relaxation and selective help for the export and construction industries. Since last November a series of penalties have been imposed—or rather reimposed—on foreign holders of Swiss francs. A negative interest rate on Swiss franc deposits was one example. The main thrust for the longer term is the attempt to bring the Swiss franc into

the EEC "minisake." The Swiss authorities accept that it may be some time before this actually materialises (if it ever proves possible in the face of French opposition).

The main reason why importance is attached to it is that it would stabilise the relationship between the Swiss franc and the D-mark. West Germany is Switzerland's largest single trading partner—it took 13.9 per cent. of its exports last year and was responsible for 29.2 per cent. of its imports. Tying the Swiss franc to the D-mark would, it is felt, go far towards insulating the trade account from the erratic effect of capital movements on the Swiss franc rate.

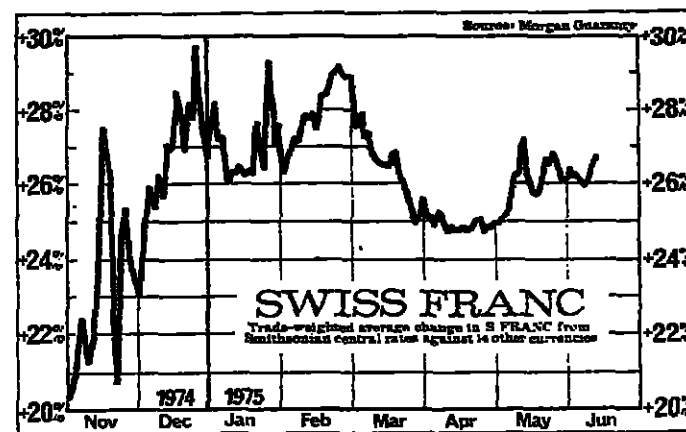
At the same time Switzerland's tight money policy has been steadily if cautiously relaxed since last autumn. Credit ceilings were eased and relaxed completely early last month. Minimum reserve requirements were first cut and then, last November, suspended altogether as far as domestic liabilities were concerned. The money supply (money and quasi money) rose by 6.6 per cent. last year as against 5 per cent. in 1973.

However, it should be noted that monetary control is still relatively tight. The policy this year is for an expansion of the money supply by 6 per cent. available to Swiss banks has been asked to make large profits by judging the exchange rate trends which have been eliminated, should.

Closers

The result of these various happenings has been much closer supervision by the Swiss authorities over foreign exchange operations by banks in Switzerland. Some of the measures taken also tie in with attempts to ease the upward pressure on the Swiss franc. However, the latter was not the main factor in most cases.

Now most of the opportunities available to Swiss banks to make large profits by judging the exchange rate trends which have been eliminated, should.



In his annual address to shareholders last March the Union Bank of Switzerland's chairman Dr. Schaefer devoted most of his time defending the banks against these and other charges. However, there was one area where he did go into the attack—the damage done to the banks' international business by the various restrictive measures taken by the Swiss authorities since 1970. Pointing out that foreign earnings of the major Swiss banks offset more than one-fifth of the trade deficit in 1973, he warned that should the various restrictive measures be continued over an unduly long period, they will in the long run do great harm to Switzerland. "harm," he said, "which can hardly be re-

Mary Campbell



SODITIC S.A.

short- and medium-term euro-currency loans
export finance without recourse
medium-term private placements

84, RUE DU RHONE, 1211 GENEVA 3/SWITZERLAND.
TELEPHONE: (022) 28 95 11—TELEX: 23 593 SODT.

SHAREHOLDERS

BANCA COMMERCIALE ITALIANA HOLDINGS S.A. LUXEMBOURG
BANQUE DE PARIS ET DES PAYS-BAS (SUISSE) S.A. GENEVA

BANCO DI ROMA PER LA SVIZZERA LUGANO

Head Office: LUGANO, Piazzetta S. Carlo

Telephones: 26201 39721 Telex: General Business 79159 BRS CH
Foreign Exchange 79248 BRS CH
Cable Address: SVIROBANK Securities Dept. 79293 BRS CH

Branch: CHIASSO, Corso San Gottardo 54

Telephones: 44 36 75 /44 44 33. Telex: 79901 BRSCH CH
Cable Address: SVIROBANK

ALL BANKING TRANSACTIONS, STOCK AND FOREIGN EXCHANGE

CORRESPONDENTS IN SWITZERLAND AND ABROAD

THE BASLE STOCK EXCHANGE — AN INTERNATIONAL MARKET

Famous for its chemical and pharmaceutical industries, Basle is also a traditional finance and insurance centre, and the home of one of Switzerland's "Big Three" commercial banks.

The Basle Stock Exchange, a state controlled institution, is one of the three most important Exchanges in Switzerland.

Turnover 1974: SwFr. 12 billion. Over 1800 Securities listed: Switzerland, Great Britain, South Africa, U.S.A., rest of Europe, Australia. In daily contact with financial centres all over the world.

Forward and options transactions to a maximum of 3 months possible.

CHAMBER OF THE BASLE STOCK EXCHANGE
Freie Strasse 3
4001 Basle
Tel. (00.41.61) 25 11 50

STOCK EXCHANGES INTELLIGENCE LTD.
Freie Strasse 3
4001 Basle
Tel. (00.41.61) 25 10 06

BANKS AUTHORIZED TO DEAL ON THE STOCK EXCHANGE

BANK FOR INTERNATIONAL COMMERCE LTD.
Aeschengraben 25/Parkweg 8
P.O. Box 1382, 4002 Basle
Tel. (00.41.61) 22 56 80

E. GUTZWILLER & CIE., BANQUIERS
Kaufhausgasse 7
4001 Basle
Tel. (00.41.61) 23 88 33

BANK HEUSSER & CO. LTD.
Dufourstrasse 25
P.O. Box 1005, 4001 Basle
Tel. (00.41.61) 22 18 18

HANDWERKERBANK BASEL
Aeschenvorstadt 2
4001 Basle
Tel. (00.41.61) 23 58 55

ROBINSON BANK LTD.
Rittergasse 13
P.O. Box 446, 4001 Basle
Tel. (00.41.61) 22 38 11

LABHARDT & CO.
St. Jakobs-Strasse 3
P.O. Box 687, 4001 Basle
Tel. (00.41.61) 22 40 85

BANK AND FINANCE COMPANY INC.
Aeschengraben 9
P.O. Box 140, 4002 Basle
Tel. (00.41.61) 23 32 00

LA ROCHE & CO.
Rittergasse 25
P.O. Box 461, 4001 Basle
Tel. (00.41.61) 22 15 00

BANQUE HYPOTHECAIRE DE BALE-CAMPAGNE
Elisabethenstrasse 30
P.O. Box 22, 4010 Basle
Tel. (00.41.61) 22 15 55

A. SARASIN & CIE.
Freie Strasse 107
P.O. Box 1152, 4002 Basle
Tel. (00.41.61) 23 00 55

BANQUE CANTONALE DE BALE
Spiegelgasse 2
4001 Basle
Tel. (00.41.61) 25 80 80

UNION BANK OF SWITZERLAND
Freie Strasse 68
P.O. Box 1151, 4002 Basle
Tel. (00.41.61) 22 22 33

CREDIT INDUSTRIEL D'ALSACE ET DE LORRAINE, CIAL
Marktplatz 13
P.O. Box 822, 4001 Basle
Tel. (00.41.61) 25 80 33

SWISS BANK CORPORATION
Aeschenvorstadt 1
4002 Basle
Tel. (00.41.61) 20 20 20

DREYFUS SONS & CO. LTD.
Aeschenvorstadt 14/16
P.O. Box 345, 4002 Basle
Tel. (00.41.61) 23 22 90

SCHWEIZ. DEPOSITEN- UND KREDITBANK
Schiffstrasse 2
P.O. Box 176, 4001 Basle
Tel. (00.41.61) 25 66 80

EHINGER & CO. LTD., BANK
Aeschenvorstadt 15
4001 Basle
Tel. (00.41.61) 22 11 80

SWISS CREDIT BANK
St. Alban-Graben 1-3
4002 Basle
Tel. (00.41.61) 23 10 00

COÖPERATIVE CENTRAL BANK CO. LTD.
Aeschengraben 3
P.O. Box 524, 4002 Basle
Tel. (00.41.61) 23 84 00

SWISS VOLKSBANK
Gerbergasse 80
4001 Basle
Tel. (00.41.61) 25 88 55

TRANSVALOR LTD.
Steinertorstrasse 39
P.O. Box 1275, 4002 Basle
Tel. (00.41.61) 22 26 66



BANQUE KEYSER ULLMANN EN SUISSE S.A.

Capital SF20,000,000 fully paid

- Securities operations
- Portfolio Management
- Public issues and private placements
- Merchant banking operations

12 Rue Saint-Victor
1211 Geneva 12

Telephone: (022) 47 25 25. Telex: 23791 Keul

SWISS CAPITAL MARKET II

A good time for the borrower

THE SWISS bond market today shows its most gracious side to borrowers. For months now, all new issues have been at least fully subscribed and generally over-subscribed despite a noticeable average decline in interest rates, while the most recently created bonds are running at well above par in many cases on the secondary market. At the same time, the Swiss authorities have—temporarily at least—loosened up restrictions on the admittance of new borrowers.

While the days of Switzerland's supremacy on the international capital market—in 1960, some 80 per cent. of all foreign loans floated in Europe

were issued by the Swiss—are long past, the country remains an important source of funds. Quite apart from the continued activity of the Swiss banks in channelling Euro-market transactions, the local loan market is still among the favourite resorts of international borrowers. Over the five-year period 1970-1974, foreign loans on the Swiss capital market added up to an issue total of Sw.Fr.9.55bn. net. At the same time, domestic issues amounted to a net call on the market of a further Sw.Fr.18.43bn., this including a not inconsiderable sum raised by Swiss-based holding companies of multinational concerns.

Recently, the needs of the Swiss economy and the Government's attempts to keep excess foreign funds out of the country have led to a relative growth of significance of the domestic loan field at the expense of foreigners' public issues. In 1974, the domestic sector accounted for almost four times more than foreign loans on the Swiss market, after having been only one-and-a-quarter times this sum in the previous year.

Hunger

The fact is that Swiss-based borrowers, especially in the public sector, have developed a real hunger for funds of the past few years. For 1974, the Confederation itself and every single canton—with the sole exception of Neuchâtel—were in the red, with most towns and villages in the same plight. Deficits will be even higher this year. There is also a tremendous capital requirement on the part of the electricity generating industry, the building of nuclear power stations calling for something like Sw.Fr.1.3bn. extra loan capital per year. Private enterprise is at least sectorally affected by the recession, but investment projects are still going ahead—albeit often abroad—and money is cheap.

The Federal Council and the National Council have had to watch the domestic capital market very closely over the past few years. Initially, the sole problem was one of dampening down the over-heated economy. To this end, the Government introduced control of the issue of domestic loans, share issues and similar capital market transactions at the turn of 1972-1973, with the regular fixing of a maximum quarterly loan ceiling. This has meant the rejection or cutting down to size of numerous public-loan applications since. Since the authorities have been in part unable, in part unwilling to reduce their capital requirements, it has been private enterprise which has tended to bear the brunt of this regulation.

In all, total domestic loan volumes have remained about the same from year to year; after peaks of Sw.Fr.3.95bn. in 1971 and Sw.Fr.4.02bn. in 1972, they totalled Sw.Fr.3.61bn. in 1973 and rose again to Sw.Fr.3.94bn. last year. Because of inflation, of course, this did really mean a limitation of borrowings. Of the 1974 total, a net share of Sw.Fr.1.5bn. alone was accounted for by public authorities and a further Sw.Fr.974m. by utilities. This year, the private sector is getting rather more of a look-in. The total net call of the domestic sector on the loan market was Sw.Fr.2bn. (1.52bn.) for the first four months of the year, of which public authorities and utilities together accounted for little more than one-half.

Decline

Interest rates have come down substantially, even since the start of 1975. More lively demand from the market and a Government policy aimed at depressing interest levels resulted in the decline in the average coupon from 8.45 per cent. in January to 7.8 per cent. in May for domestic loans. While the interest gap between first-class and second-class borrowers has widened, reaching a span of a whole percentage point for the loan market in general, the up-market loans are benefiting considerably from the improved climate; public authorities and cantonal banks have long been obtaining funds at around 7.75 per cent. and the new Federal loan is being offered in two "allies" for 7.5 per cent., 14-year bonds at 9.9 per cent. and 7 per cent. eight-year paper at par.

The private sphere is also obtaining really bargain conditions, like the 7.5 per cent. coupon the Ciba-Geigy chemical was laid down in 1971 in order to obviate the foreign notes its huge Sw.Fr.120m., 12-year loan at 9.5 per cent. offer price. Among the Swiss-based international, Société Internationale, Société Pirelli SA is paying 9 per cent. on a Sw.Fr.25m. issue launched in January, while the Eurofin placement coupons). The rolling stock financing body in volume is thought, however, to

have fallen from some Sw.Fr.3.4bn. in 1973 to about Sw.Fr.2.5bn. last year.

Business could well grow again this year, however, thanks both to market demand and to a more liberal policy on the part of the National Bank, which has now lifted completely the restrictions on private placement volume. Originally, a ceiling of Sw.Fr.700m. had been foreseen for the first quarter, but this was expanded over the period so that, in fact, the actual notes volume for the three months totalled a "good billion francs".

John Wicks
Zürich Correspondent

Your Swiss Partner for
Financial operations
and advising in
international and domestic
money markets

Authorised Exchange and
Bullion Brokers

COURTINTER S.A. GENEVA

Compagnie Financière

9, rue de la Croix d'Or

1211 Geneva 3

Telephone: 022 28.62.22

Telex: 23855

TRADE DEVELOPMENT BANK Geneva

Head Office:

2, Place du Lac, Geneva. Tel: 20.99.11

Branches:

London, Chiasso, Nassau

Representative Offices:

Frankfurt, Beirut, Caracas,

Rio de Janeiro, São Paulo, Buenos Aires



Trade Development Bank Geneva
is a member of the

TRADE DEVELOPMENT BANK HOLDING GROUP

TOTAL ASSETS AS OF DECEMBER 31, 1974.

US\$ 2,137 Million

TOTAL DEPOSITS

US\$ 1,775 Million

GROUP CAPITAL FUNDS

(Including Minority Interest and Capital Notes)

US\$ 210.5 Million

Other members of the group:

Republic National Bank of New York

Trade Development Bank Overseas Inc.

Trade Development Bank (France)

Trade Development Bank (Luxembourg) S.A.



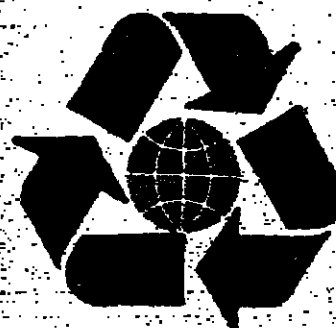
BANQUE DE PARIS ET DES PAYS-BAS (SUISSE) S.A.

GENEVA-LUGANO-ZURICH

AND NOW IN
BASLE

More than a century of experience in Switzerland.

COSMOREX



INTERNATIONAL
DEPOSIT BROKERS

COSMOREX SA GENEVE

65, RUE DU RHONE

1211 GENEVE 3

TEL 022/35.76.51

TELEX 23.811/12

INTERNATIONAL
FOREIGN EXCHANGE BROKERS

COSMOREX ZURICH AG

SCHUETZENEGASSE, 4

8021 ZURICH 1

TEL 01/27.09.50

TELEX 58.391

Banca del Gottardo

Gottardo-Bank
Banca del Gottardo

Capital Stock
Fr.s. 42'000'000

Reserves
Fr.s. 80'000'000

Head Office:

Lugano

via Canova 8
Tel. (091) 7 51 11

Branches:

Chiasso

via Livio 12
Tel. (091) 44-09 22

Lausanne

16, rue de Bourg
Tel. (021) 20-36 85/86

Nassau (Bahamas)

IBM House/P.O. Box 6312
Tel. 3231787

Locarno

via Ciseri 9
Tel. (093) 31 71 81

Zurich

Färberstrasse 6
Tel. (01) 32 56 77

INGEBA

INTERNATIONALE GENOSSENSCHAFTSBANK AG
INTERNATIONAL CO-OPERATIVE BANK CO. LTD.

Capital SFr. 100,000,000—fully paid

- SHORT AND MEDIUM TERM LOANS
- SECURITIES MANAGEMENT
- DOCUMENTARY TRANSACTIONS
- CALL AND TIME DEPOSIT ACCOUNTS
IN MAJOR CURRENCIES

Dufourstrasse 54
CH-4010 Basle

Tel. 061 23 89 31
Telex 62073 & 62080

SWISS CAPITAL MARKET III

Banks experience
a difficult year

THE SWISS banks have again demonstrated their ability to conduct profitable business in hard times as well as good. No one would deny that the past year has been a troublesome and trying period for the banking establishment. The authorities have been particularly industrious in their efforts to combat domestic inflation, to curb the flow of foreign funds into what some would describe as a "grossly" overvalued currency—the Swiss franc—and at the same time to try to kick the country out of a steep decline in economic growth. The headaches of the Government reflected in the resulting stop-go policies and the flurry of directives constituting, probably, the coup de grace to the traditionally free-ranging autonomy of the banks, have had to be matched by frantic efforts of the banks themselves to keep in line with the bewildering array of new and changing rules of procedure.

Similar

But despite this situation, total bank assets have risen, and net profits of the big three Swiss banks shot up by 10 per cent. or more for 1974, despite some spectacular losses on foreign exchange transactions. Earnings of other banks have shown a similar trend.

Indeed, the encouraging results throw into a rather harsh light the almost incessant complaints from the banking establishment that they are being made to bear the brunt of economic policies designed to keep the country on an even keel. There is no doubt that the banks have, as one banker put it, been put in the pincers by the Government, but they have come through this trial surprisingly well.

Last year was marked by a series of short- and medium-term monetary measures and the application of controls on credit, construction volume and prices designed to reduce overall liquidity and cut expansion.

Bank credit growth was restricted first to 6 per cent., then to 7 per cent. Money supply was decreased sharply, and the capital market held within a prescribed low volume of business. In addition the authorities maintained minimum reserve requirements, and demanded the conversion into foreign currencies of Swiss franc proceeds of capital export transactions.

While in some respects there were attempts during the year to alleviate the burden on banks, the situation, far from improving, got progressively worse, with the upward pressure on the Swiss franc leading to a new spate of draconian controls. In October the three-year-old ban on interest on non-resident Swiss franc accounts was removed. But shortly afterwards it was felt necessary to reintroduce the negative interest rate on new non-resident accounts in Swiss francs which was first applied in 1973. This time the rate was set at 3 per cent. per quarter instead of 2 per cent., and when in the new year even this proved insufficient, the screw was tightened up to 10 per cent. per quarter on accounts opened since the end of October. The mandatory conversion into foreign currencies of proceeds of foreign loans was reimposed only weeks after its abolition, and in addition the banks were required to reduce their forward sales of Swiss francs. Later, there was the imposition of a ban on all foreign Swiss franc accounts, an extension of foreign exchange reporting requirements and again an increase in the minimum reserves on foreign liabilities.

The expected downturn in the Swiss economy has, since then, resulted in an easing in the domestic capital supply, with the raising of the ceilings on both domestic and foreign Swiss franc issues and the early relaxation of the 7 per cent. growth limit on bank credit. Such moves are becoming poli-

tically necessary to offset unemployment, but there was no great enthusiasm shown for them on the part of the hard-pressed authorities.

Set against this background the performance of the banks is more than encouraging. The combined balance sheet of the 72 banks which report regularly to the Swiss National Bank rose to Sw.Frs.218.2bn. in December, compared to Sw.Frs.218.7bn. a year earlier.

Domestic

The overall profit figures for the same group of banks showed a better than 8 per cent. growth in average, with a rise from Sw.Frs.338.8m. to Sw.Frs.366.3m. in the same period. The combined net profits of the five "big" Swiss banks—the Union Bank Corporation, the Swiss Credit Bank, the Swiss Volksbank and Bank Leu—together rose from Sw.Frs.192.2m. to Sw.Frs.211.5m., somewhat more than 10 per cent.

The 28 cantonal banks did less well, however, with a 7½ per cent. average growth in profits, reflecting their larger dependence on the domestic market. Domestically the cantonal banks' share in savings deposits is 42.6 per cent. compared with the 20.8 per cent. for the big banks. They handle 63.9 per cent. of the debentures and 12.6 per cent. for the big banks, and the cantonal banks also a percentage which it can be lead by a short margin on the entire domestic lending operations of the banking community. The strength of these banks is particularly in construction financing and advances to public authorities. So, in view of the restrictive policies in these areas, a lower performance is hardly surprising.

A considerable part of the profits of the big banks, particularly the big three, Zürich in the attempt to get the stemmed from foreign exchange transactions—a remarkable performance in view of the instability of the international monetary market. For the Swiss

Bank Corporation income from trading in foreign exchange and precious metals rose by some 38 per cent. over the previous year to nearly Sw.Frs.240m. The Swiss Credit Bank did even better with a rise in earnings of 46 per cent. to Sw.Frs.156m.

The performance of the Union Bank of Switzerland is less satisfactory—up 14 per cent. to Sw.Frs.167m. but the compared to Sw.Frs.142m. loss sustained in April last year on the forward exchange transactions of a single client is included in the above figures.

News of this loss spread like an ugly ripple round Zürich, with thoughts of Herstatt in the minds of the banking community. And there were other well publicised blunders and irregularities during the year. The Swiss Bank Corporation was reluctantly landed with some large pieces of real estate as a result of its dealing with Bank Leu—together rose from Sw.Frs.192.2m. to Sw.Frs.211.5m., somewhat more than 10 per cent.

The dominating position of the big banks in foreign operations probably accounts for the fact that there were not more difficulties during the year. The Swiss Bank Corporation's foreign assets and liabilities hovered at around 50 per cent. of the combined balance sheet, totals of the big three banks—a percentage which it can be lead by a short margin on the entire domestic lending operations of the banking community. The strength of these banks is particularly in construction financing and advances to public authorities. So, in view of the restrictive policies in these areas, a lower performance is hardly surprising.

A considerable part of the profits of the big banks, particularly the big three, Zürich in the attempt to get the stemmed from foreign exchange transactions—a remarkable performance in view of the instability of the international monetary market. For the Swiss

in the banks' view, the only viable course for the future if they are to retain a competitive position in the world.

David Egli
Geneva Correspondent



INTER MARITIME BANK

GENEVA SWITZERLAND

- IMB IS A SWISS BANK SPECIALIZED IN BANKING AND FINANCE FOR ALL BRANCHES OF THE MARITIME INDUSTRIES.
- IMB OFFERS CLIENTS EFFICIENT SERVICES, COMPETITIVE LOANS AND DEPOSITS AND THE CONVENIENCE OF A FREELY CONVERTIBLE CURRENCY LINKED TO AN INTERNATIONAL BANKING NETWORK.
- WHATEVER YOUR FINANCING PROBLEMS ARE, TRY US FOR SIZE: WE RESPOND EFFICIENTLY AND QUICKLY TO YOUR PROBLEMS.
- IMB 5, Quai du Mont-Blanc GENEVA/SWITZERLAND
- Telephone: (022) 31 10 21 / 32 15 64
Telex: 23389 MBANK CH
Cables: MARBANK

Lloyds Bank Group
in Switzerland.

Lloyds Bank International
are in Geneva, Zürich and Lugano

Geneva:
1 Place Bel Air, 1211-Geneva 11
Telephone: 20 86 11

Zürich:
18 Börsenstrasse, 8022 Zürich.
Telephone: 25 87 65 and 35 62 20

Lugano:
9 Corso Pestalozzi, 6901 Lugano.
Telephone: 3 90 91

For further information on doing business
in Switzerland, please contact our Geneva branch
or our European Division in London.



LLOYDS BANK
INTERNATIONAL

40/66 Queen Victoria St., London EC4P 4EL Tel: 01-248 9822
A member of the Lloyds Bank Group

L.B.I. the Bank of London & South America and their subsidiaries have offices in: Argentina, Australia, Bahamas, Belgium, Brazil, Canada, Cayman Islands, Colombia, Costa Rica, Ecuador, El Salvador, France, Guatemala, Guernsey, Honduras, Hong Kong, Japan, Jersey, Lebanon, Mexico, Monaco, Netherlands, New Zealand, Nicaragua, Panama, Paraguay, Peru, Philippines, Portugal, Singapore, Spain, Switzerland, United Kingdom, U.S.A., Uruguay, Venezuela, West Germany.

Stock exchanges
mark time

IN TUNE with other markets around the world, the Swiss stock market enjoyed a strong price recovery (averaging 15 per cent.) in the first two weeks of this year. The upward trend, encouraged by favourable conditions on the capital market and a step-by-step easing of the restrictive monetary and economic measures, continued throughout January, levelled off during February and March and moved into a phase of consolidation from then on.

The Swiss national bank index of Swiss shares (186=100) started the year at 106.2 compared with 160 at the end of 1973. It reached a high point in mid-March, and has more or less been marking time since then. The index for bank stocks, encouraged by the good results particularly of the big banks, rose by about one-third during this active first quarter. The insurance companies, with an 18 per cent. rise did almost as well, while within the group of industrial shares (up 20 per cent.) the food industry performed outstandingly well (up 33 per cent.), while the machine and metalworking industries kept in step with the average.

The consolidation is not only an expected reaction to this sharp rally, but also the expression of concern that the economic recovery forecast for the second half of this year may be somewhat delayed. Investors tended to be inspired more by the present slackening of

economic activity than by prospects of the recovery. There were nagging doubts about the weakening of the competitive position of Swiss exporters through the continued appreciation of the Swiss franc. And, after the enthusiasm inspired by the banks' performance and the attractive terms of the new registered share issues of the big three, there was concern that the large number of these new shares would dilute the equities market in this sector. On top of this the big capital increases placed considerable strain on the money markets in general at a time when, for seasonal reasons, the economy's requirements for funds tends to increase. In addition there are fears that the Swiss authorities may be obliged to reintroduce measures making it more difficult for foreigners to acquire Swiss shares with the potentially negative impact this could have on the Swiss equity market.

Bullish

But it is felt that, overall, the Swiss market will continue to reflect the trends of foreign markets. And that remains essentially bullish. Compared with the dismal stock market performance of 1974 this is a welcome change.

Last year was marked in Switzerland by a paralysing lack of interest and a steady erosion of prices for all the reasons that are well known elsewhere. Esti-

mated on the basis of stock exchange capitalisation the loss in prices in Swiss domestic securities has been set at Sw.Frs.22bn. in 1974, on top of a Sw.Frs.20bn loss in the previous year.

The Swiss Bank Corporation Swiss share index, which hit a record high at 424.8 points on September 8, 1972, had by December 30, 1974 fallen by 52 per cent. to 203.3. Yet the average gross yield of Swiss shares rose last year from 3.52 per cent. to 4.07 per cent.

The losses in the last two years have been the sharpest setback suffered by the Swiss equity market since the 1930s, with the picture made even grimmer by the acceleration of inflation during that time. But, if the depreciation of foreign currencies against the Swiss franc is also taken into account, the average decline in purchasing power, expressed in Swiss francs, of equity investments compares well with those in the United States, Britain and even Germany.

Although the number of deals of the Zürich bourse increased in 1974 by nearly 8 per cent., from 218,782 deals in 1973 to 235,559 in 1974, the trading volume in cash terms was again sharply down. At Sw.Frs.58,584 bn, it was off 10 per cent. from the previous year's Sw.Frs. 65,408bn. A similar trend could be followed in the Basle and Geneva exchanges, which each have a trading volume of about one-third of that of Zürich. In the first few months of this year the trend has been reversed, and on average the turnovers of the Swiss exchanges are up by about 8 per cent., and even more if expressed in cash terms.

The Zürich exchange handles close to 2,000 bond and stock issues. As of March 31 this year the breakdown was as follows: 1,387 Swiss bond issues and 337 foreign bond issues; 149 Swiss and 133 foreign shares were listed on the exchange. Of these, the foreign stocks were the most active group, accounting for 35 per cent. of the overall number of quotations (against 23 per cent. for Swiss stocks), while foreign bonds, despite the relatively small proportion listed, accounted for 24 per cent. of the trading activity, against 18 per cent. for Swiss bonds.

By way of comparison, Geneva's total listed securities presently stand at 1,427, with the number of foreign shares (151) greater than the number of Swiss shares (123). Basle, at the end of last year, had 1,518 bonds and 267 shares listed.

At the beginning of this year the Basle stock exchange, which as it approaches its centenary (1976) likes to play the role of innovator, gave greater flexibility to its forward transactions market (including premium transaction) by extending the term from two to three months. This has been well received, and Geneva has already followed suit, with the Zürich bourse expected to do so in autumn.

Syndicate

Another change in trading rules proposed by Basle and generally accepted elsewhere, is the application to Swiss franc bonds of a 15 minute halt in trading when the difference from one price to another reaches five points. Hitherto the ruling applied only to shares and operated on the basis of a 10 per cent. price differential.

The Geneva exchange—the oldest in the country—is still run by a syndicate of brokers, singling it out from Basle and Zürich which are both State-operated. While the Genevese are proud of this special situation, they were worried last year that it might prejudice the exchange's activities if and when the federal authorities finally decide to reduce the mandatory minimum par value of Swiss stock from Sw.Fr.100 to Sw.Fr.1. When this comes, a commission in Bern ruled, it would apply only to stock listed on officially controlled exchanges. After some hand wringing, the Geneva bourse has now decided on new regulations which will involve sufficient State control to satisfy the requirements of the federal authorities and get over what promised to be a significant hurdle. The basic private character of the Geneva bourse, however, remains unchanged.

David Egli

Euro-clear
Clearance System Ltd

A global clearance system
for internationally
traded securities

P.O. Box 656
8027 Zurich, Switzerland

kredietbank(suisse)s.a.

18 Boulevard Georges-Favon, 1204 Geneva
Switzerland

Phone 022/21 63 22



A complete
banking service
at your disposal

SAMURAI PORTFOLIO



One of the leading Mutual Funds in Japanese securities

SAMURAI PORTFOLIO, a fund under Swiss law, is sponsored and managed by a group of leading Swiss private and commercial banks with independent investment advisors in Japan.

For detailed information write to
Gertrud S.A., 22, rue de la Cité, 1211 Geneva 11

Please note that we have changed
our name to
SUMITOMO HEAVY INDUSTRIES, LTD.
to reflect the multi-market
thrust of our operations.

SUMITOMO HEAVY INDUSTRIES, LTD.

Dear Sirs,

June 2, 1975.

We would like to take the liberty of informing you that our corporate English name has been changed from Sumitomo Shipbuilding and Machinery Co., Ltd. to Sumitomo Heavy Industries, Ltd.

This decision was made at the shareholders' meeting held in Tokyo on May 29, 1975.

Our recent activities have not been limited to building ships and manufacturing industrial machinery, as our previous corporate name denoted, but have covered a much wider range, including systems engineering, contributions to the development of natural resources, pollution control, ocean research and nuclear energy utilization.

We believe, therefore, that the new corporate name better reflects the scope and diversity of our present activities.

The Japanese name of our company, Sumitomo Jukikai Kogyo Kaisha, remains unchanged.

With this change in our name, we are determined to redouble our efforts for the expansion and consolidation of our activities and services, and respectfully request your continued support and patronage.

Yours very truly,

Tsunetsaburo Nishimura

Tsunetsaburo Nishimura

President

Sumitomo Heavy Industries, Ltd.

CORNÈR BANCA S.A.

CORNÈR BANQUE S.A.

CORNÈR BANK A.G.

CORNÈR BANK LTD.

LUGANO

Established 1952

Capital Stock and Reserves: Fr. 18,000,000

An Affiliate of Bank of America N.T. & S.A.
San Francisco, Cal.

Head office: Lugano, via Canova 16; Tel. 091 / 7 05 05; Telex 79119 CBLU; Cables: Cornerbank

Branches: in Canton Tessin and Canton Vaud

All banking transactions, stock and foreign exchange,
capital counseling and management services.

Correspondents throughout the world.

SWISS CAPITAL MARKET TV

Lean days for funds

THE TENSE situation on money and capital markets last year, combined with the high level of the Swiss franc exchange rate, led to a considerable shrinking in the holdings of Swiss investment funds. After a slight decrease from the 1972 peak of Sw.Fr.16.67bn. to some Sw.Fr.16.42bn. in 1973, total assets of the 119 funds operating with approval of the Banking Commission dropped sharply last year by 21 per cent to Sw.Fr.13.01bn. The market value of the certificates in question declined even more rapidly by 27 per cent to Sw.Fr.12.43bn. (16.99bn.), meaning that the funds' holdings were not fully reflected in certificate sale price. As far as value of the funds' holdings is concerned, the 1974 downturn is by far the sharpest for at least 20 years and mirrors sagging stock exchange indices almost the world-over. In fact, the overall fall in assets was accounted for solely by the 75 funds engaging only in security investments — from Sw.Fr.11.88bn. to Sw.Fr.8.5bn. — and the five funds in both securities and real estate — from Sw.Fr.2.79bn. to Sw.Fr.2.65bn. Those of the 38 real-estate funds reached a new record of Sw.Fr.4.74bn. as against Sw.Fr.4.45bn. in the previous peak year 1973.

The same pattern emerges from a comparison of certificate issue income with repayment sums: only the three investment funds active in both the domestic and foreign real estate sector showed a surplus of issue over repayment. For all

funds, issues slumped from Sw.Fr.2.45bn. in 1973 to only Sw.Fr.1.16bn. last year, repayments decreasing much less fast from Sw.Fr.3.75bn. to Sw.Fr.2.05bn. This was the first time since the introduction of the 1967 Investment Fund Act that repayments were not surpassed by earnings from new issues.

The break in the fortunes of the Swiss investment fund business has not been such as to lead to a large-scale collapse of funds. With about a half of the leading funds, however, certificate prices below the original issue level and only a very few have a quote higher than two years ago, there have been no widespread casualties. The Banking Commission concession was withdrawn from a total of only five funds in 1974. But at the same time, interest in setting up new funds is waning fast, with only three new ones entering the lists last year.

Average

At the same time as fund values declined, however, there was a natural rise in their yield, since dividend payments — mainly based on the more halcyon conditions of 1973 — rose by 9 per cent to a figure of Sw.Fr.86.2m. This brought average earnings for the 119 funds up to 6.51 per cent of assets and 6.81 per cent of market value of certificates, a clear rise from the respective figures of 5.46 and 5.28 per cent for 1973 and an all-time record in both cases. The drop in the price of an average fund certificate from Sw.Fr.119 to 88, this by no means points to a "wave of anti-cyclical" hard-

ship advertising by the funds. On the contrary, the Swiss Bankers' Association in Basle has just announced the introduction of voluntary guidelines for investment-fund publicity, which has been agreed to by the "vast majority" of the Swiss funds and the 58 foreign investment funds with the right to advertise in Switzerland. Aimed at obviating what the Association calls excesses which could lead to misunderstanding and criticism on the part of the public, the guidelines lay down that the official concession shall not be used as a "seal of quality" in advertising and that any statement of certificate yield must show plainly how this is calculated, particularly in the case of compound yield. The Association also recommends that value development for fund holdings or certificates be presented in a uniform way so as to make these data properly comparable.

Difficulties

A breakdown of the performance of various types of Swiss investment fund shows that the building and letting sector, real estate funds did best of all last year and continue to be best this year. Although the number of real estate funds declined from 54 in 1967 to 38 last year, a study published last month by the Federal Bureau of Statistics shows that their combined assets have increased year after year to reach Sw.Fr.4.74bn. in 1974, and the total dividend sum also rising without a break

Our Press Release

"Sumitomo Shipbuilding and Machinery"
Renamed
"Sumitomo Heavy Industries"



Tsunetsaburo Nishimura
President

Tokyo, June 2, 1975

Sumitomo Shipbuilding and Machinery Co., Ltd. of Tokyo, has announced that its corporate English name has been changed to Sumitomo Heavy Industries, Ltd., effective May 29, 1975. The new name was officially authorized at a meeting of the company's shareholders held on that day.

Diversification into such areas as systems engineering, the development of natural resources, and anti-pollution systems, in addition to shipbuilding and the production of general industrial machinery, which still constitute the company's main lines of operation, has led to the adoption of this new name which better reflects the totality of its current business activities.

In announcing the change of name, a company spokesman said: "Technological innovation and systematization in order to rationalize distribution channels from ocean transport through to warehousing; plant construction by systems engineering methods; new projects of challenging to future-oriented industries such as ocean and nuclear development; and environmental conservation and the recovery of natural resources, through the use of anti-air pollution equipment and sewage and used plastics disposal facilities. All these are the essence of our latest technique of 'total systems approach'."

Sumitomo Heavy Industries, Ltd., the heavy industrial manufacturing division of the Sumitomo group of companies, is capitalized at \$58 million and has an annual turnover of \$730 million. Our stock is listed on stock exchanges in Amsterdam, Frankfurt, Brussels and Antwerp. Headquartered in Tokyo, the company has nine offices, nine plants and four research institutes throughout Japan; overseas offices in Brazil, France, Indonesia, Singapore, the United Kingdom, the United States, and West Germany; and a wholly-owned subsidiary, Sumitomo Machinery Corporation of America, in New Jersey, U.S.A.

A crucial period for gold

THIS IS a crucial year for the international gold market and consequently for the Zurich gold pool operated by the major Swiss banks — the Union Bank of Switzerland, the Swiss Bank Corporation and Credit Suisse. In the last two or three years they have seen major structural changes in the demand for gold, with the eclipse of industrial consumption and the rise of the speculators. Additional new elements are the resumption of private gold trading in the U.S. and the worldwide fall in interest rates making the hoarding of gold less expensive in comparison with other forms of investment. Counterbalancing this there has been the attraction of the revived stock markets, and the fears of possibly significant gold sales from a number of institutional sources.

The gold market in Zurich at the moment is very thin. With bullion prices fluctuating narrowly around \$165 per ounce — well down from the high points of last year — potential buyers are sitting back and watching. Their first preoccupation is the June 30 sale by the U.S. of 500,000 ounces. The questions asked in Zurich are whether this is all that will be coming on to the market within a reasonable period, or will there be more sales? How will the market digest this relatively large amount? And what are the Russians planning to do?

There is a fear that the Russian bank in Zurich, which handles all Soviet gold sales, may start selling heavily prior to the American sale in an effort both to obtain what must be seen in the context as a good price for Soviet gold and to deal a body blow to the U.S. Treasury. Above and beyond this, there has been speculation about the possible Portuguese gold sales via Switzerland, and the long-standing question of the future role of gold in the international monetary system.

In the early 1970s industrial gold consumption stood at some 1,400 tons — higher than the total current production of the western world. Since then, however, the impact of rising prices has caused a steep decline in industrial demand. Last year an estimated 725 tons was sold to industry, accounting for only some three-fifths of current output. And there are indications that the level of these sales will be lower still this year. By 1973 purchases by the jewellery industry had, at 500 tons, dropped to barely half their earlier levels, and with each increase in the price of gold this sector must reckon with further declines in sales — a trend compounded by the generally unfavourable economic climate.

In the meantime, and with the slump of the stock market, speculators moved into gold in a big way. Instead of augmenting the available supply of gold as previously, the speculators and investors have become net purchasers, absorbing between 500 and 550 tons a year. Indeed, this switch was instrumental in raising demand and providing the impetus to the free market gold boom of recent years. But the large speculative hoardings have produced an unhealthy volatile market — and some headaches for the traders in Zurich.

Bullion

The bullion trade the big three Swiss banks handle annually — in addition to the healthy trade in gold coins — in volume terms is estimated at some six times the total annual supply of newly mined metal. For 1974 total gold production was set by the Bank for International Settlements at 985 tons, to which must be added the 225 tons of Soviet gold sold through Zurich. The main source of supply for the Zurich gold pool continues to be South Africa, which, since late 1969 when it switched the bulk of its gold sales from London, has been selling some 80 per cent of its output through the Swiss banks. It should be noted, however, that both South African and Soviet gold supplies declined last year, by some 100 tons and 75 tons respectively.

In the case of South Africa, which is now working ores with a lower gold content, it is expected that there will be a further decline this year, although this will probably be offset by increased output from other countries, particularly Papua New Guinea. On balance, western world production, which declined by some 100 tons, or 9 per cent, last year, is not expected to drop any further in 1975. The unknown factor, as usual, is the Soviet Union which will undoubtedly pursue its established policy of selling only when prices are firm and staying out of the market when the demand falls away.

Compared with the approximately 34,500 tons of official gold reserves held in the western world by central banks and international organisations, the annual production, whether it is up or down 100 tons, looks remarkably meagre. As a consequence no one in Zurich doubts that the major issue hanging over the future of gold supplies and purchases — and for that matter for the gold market as a whole — is the behaviour of central banks. Even though the coming U.S. gold sale may put prices under temporary pressure, the Zurich traders believe that the U.S. authorities have already shown that they do not wish to weaken the market excessively, the continuing talk of an outright demonetisation of gold tends to be discounted. Judging by deeds rather than words, the Zurich bankers say, the evidence points in the other

direction. By the end of last year, it had already been decided that nations could revitalize their official gold stocks at market prices. France has already acted on this and other countries may be planning similar moves. In addition, the central banks have been empowered to buy and sell gold among themselves at current market prices. The only remaining restriction, it was noted by a Credit Suisse manager, is that they are not entitled to augment their reserves through purchases in the free market and, "It is impossible to say how long this restriction will remain in force."

But Zurich appears less apprehensive of the possible consequences of the central banks coming back into the market than it has been in the past.

Since the creation of the twister market in 1968 when the Zurich banks opened for business "as usual" while London remained closed, the gold pool in Switzerland has so far consolidated its position that it no longer fears the competition of London. "We can also deal under floating" one dealer commented noting, besides, that the big three banks enjoyed good relationships with many central banks. With this additional argument that the Bank for International Settlements is headquartered in Basle, the Zurich traders feel that even in the unlikely event that the central banks resume operations in the free gold market, many of them would trade through Switzerland. It is now, they say, not a question of London or Zurich — together we are one large free market.

David Egit

COMPLETE SERVICES FOR FINANCIAL INSTITUTIONS

Investment Banking - Financials
Underwritings - Mergers and
Acquisitions - Institutional Research
Block Trading - Fixed Income
Securities - Commodities
Special Communications Capabilities

Hutton
INTERNATIONAL

Athens - Frankfurt - Geneva - Hamburg
London - Lugano - Luxembourg - Munich - Paris - Zurich
The E. F. Hutton International Group of Companies has continued access
to the services and facilities of E. F. Hutton & Company Inc.
One Battery Park Plaza, New York

BUILD YOUR CAPITAL

by investment in a substantial Swiss Fund

fonselex

- Registered under Swiss Law
- Quoted in Swiss Francs
- Price published weekly in the Financial Times, Int. Herald Tribune and other leading newspapers
- Managed by CAPDIREX S.A. Geneva

Send this coupon for further details in the
free booklet to:

CAPDIREX S.A.
15 rue Marignac,
Geneva, Switzerland.

Please send full details of the
FONSELEX fund to:

Name: _____
Address: _____

PRIVATE COMPANY
LONDON BASED

with extensive U.K. industrial connections, wishes to increase its range of selling lines to the Scientific, Electronic and Laboratory fields. Precision hand tools and small equipment our speciality. Write Box E.5399. Financial Times, 10, Cannon Street, EC4P 4BY.



Freud calls for direct elections to Europe

THE COMMONS yesterday gave a formal first reading to a private member's Bill to enable U.K. citizens to elect representatives directly to the European Parliament.

Under the Representation of the People (Amendment) (No. 2) Bill, introduced by Mr. Clement Freud (L., Isle of Ely), there would be direct elections by the proportional system for the 36 seats in the European Assembly to which the U.K. is entitled.

Mr. Freud said it had been proved that the average Westminster MP who went to the European Parliament as well, needed 450 days a year properly to discharge his duties to his constituents, the British Parliament and the Strasbourg Assembly.

"The current state of the European Parliament shows how very unfair the representation is," Mr. Freud declared. Of the 15 British members, 12 were Conservatives and one a Liberal.

"Two of these are from East Anglia and three from the Home Counties. There is no-one at all from Wales or Northern Ireland."

Mr. Freud said the European Parliament had set 1978 as the target date for direct elections. But the nine different and very individualistic EEC countries could only achieve this target date if proper preparations were begun at once.

"It must be the aim of this House to further the credibility of the European Assembly. We can do this by our participation and by sending truly representative members of our people. In introducing direct elections now, we could lead our EEC partners and many of us feel this would be a refreshing change for this country."

MPs renew divorce reform plea

THE LORD ADVOCATE, Mr. Ronald King Murray, yesterday rejected a Commons plea to arrange a meeting with the Law Society of Scotland to discuss reform of Scottish divorce law.

The plea was made by Mr. Iain Sproat (C., Aberdeen S.), who said that was an extraordinary reflection on the Government's priorities that it should have given time for debating here, while refusing time on Scottish divorce law reform.

He added that the Law Society was in favour of reform.

Mr. Murray said that divorce law reform could not be considered in isolation. It was an aspect of family law generally and this was under review.

Mr. Norman Buchanan (Lab., Renfrew W.) said that the situation was now "a scandal" in Scotland, and the Commons had been unable to pass the Divorce Law Reform (Scotland) Bill, sponsored by Mr. Robin Cook (Lab., Edinburgh Cent.).

Mr. Thomas Galbraith (C., Hillhead), who has consistently opposed Mr. Cook's Bill, claimed that this was not an impersonal legal problem. "It is a human matter and should not be dealt with merely by legal experts but by those expert in emotional and human problems," he said.

Safeguards on capital

BRITAIN IS to invoke the balance of payments safeguards in the Treaty of Rome in order to avoid liberalising certain personal capital movements to other EEC countries by July 1, 1975, as provided for in the Treaty of Accession, Mr. Edmund Dell, the Paymaster General disclosed in the Commons yesterday.

Left warns on any CBI-inspired changes to Industry Bill

BY JOHN HUNT

A GRIM WARNING that the Left wing of the Labour party will fight against any fundamental changes to the Industry Bill which are inspired by the Confederation of British Industry was given to the Commons yesterday by Mr. Eric Heffer, former Minister of State for Industry.

He said that the Prime Minister and the Cabinet should realise that he and his colleagues would continue to oppose any such amendments until they were removed from the Statute Book.

But Mr. Gerald Kaufman, who has just moved from the Department of the Environment to be the new Under-Secretary for Industry, assured the critics on his own back benches: "There is going to be no emasculating of the Bill."

"I have not spent 15 months carrying out Labour party policy at the Department of the Environment to come to the Department of Industry to sell out Labour party policy there. I have come there to carry out the policy of this Government and that is what I intend to do."

As a gesture that they were in earnest, six Left-wingers voted against the Government on the guillotine motion which allows three days for the report stage and third reading of the Bill.

A Conservative amendment seeking to extend the time to four days was defeated by a Government majority of 30 (192-162).

The Left-wingers feared that as a result of discussions which



MR. IAN MIKARDO.
"An intolerable insult."

the Prime Minister had with the CBI on Tuesday, radical changes will be made in the Bill to take into account the strong objections of industry to certain sections of the legislation, particularly the clauses requiring compulsory provision of company information.

The Left-wing agreed that more than three days was necessary for debate if such fundamental amendments were made. But they did not vote for the Tory amendment because they feared that to do so would be giving more time for discussion of CBI inspired changes of

which they disapproved. So the six Labour Group members contented themselves by voting against the Government motion which was approved by a majority of 179 (185-6).

The dissenters were Mr. Harry Selby (Govan), Mr. Dennis Skinner (Bolton), Miss Jo Richardson (Barking), Mr. Maureen Colquhoun (Northampton N.), Mr. Ros Thomas (Bristol N.), Mr. Sydney Bidwell (Southall) chairman of the Tribune Group. In addition, there were two others, Mr. Stan Thorne (Preston S.) and Mr. Ian Mikardo (Bethnal Green and Bow).

Declaring that he was speaking on behalf of his colleagues, Mr. Heffer told the House that the Prime Minister and the Cabinet should not come forward with fundamental changes which reflected the opinions of the CBI.

Secret

"If it is done, then I say right now that we in the Labour movement will not accept it and we will fight these amendments all the way through. We shall have a lot to say about it even if they are passed, until eventually they are removed from the Statute Book."

Later he angrily interrupted Mr. Kaufman to declare: "If it does happen that there are any secret deals, then we are in an entirely different ball game and the Government had better recognise it."

He was concerned that the CBI was pressing for substantial changes in three areas of the Bill. He thought that the Prime



MR. GERALD KAUFMAN.
"No 'emasculating'."

Minister's emphasis in the House on Tuesday on the necessity for voluntary agreements indicated that the compulsory requirements for companies to divulge information were to be weakened.

According to Mr. Heffer, the Prime Minister had said that planning agreements could be entered into at the request of shareholders. But in fact, the CBI was now pressing for the agreements to be concluded only with the directors of a company.

Mr. Heffer also expressed fears about the guidelines which the Prime Minister was drawing up

for the operation of the National Enterprise Board: "It could be that we would see a Board which had no money available. It would just be 'suspended' in mid-air and not able to do the job that the Labour party wants it to do."

Insult

He received strong support from Mr. Mikardo who thought that the way the Government was handling the Bill was an "intolerable insult" to the members of the standing committee who had spent 40 sessions considering it.

Mr. Mikardo said: "It is absolutely clear that the Government intends some action which will make null and void a great deal of the work that was done."

Liberal industry spokesman Mr. Richard Watkinson, said the time for debate proposed by the Government fell "shamefully short" of the time that would be required for all points to be put reasonably.

Mr. Douglas Crawford (SNP, Perth and East Perthshire) declared: "My party wants as much time as possible to ensure the writ of the London-based National Enterprise Board does not run in Scotland at all."

For the Opposition, Mr. Michael Heseltine, "shadow" Secretary of State for Industry, said that the Opposition's amendment to the extended debating time was a form of "protest."

Gesture

As a gesture that they were in earnest, six Left-wingers voted against the Government on the guillotine motion which allows three days for the report stage and third reading of the Bill.

A Conservative amendment seeking to extend the time to four days was defeated by a Government majority of 30 (192-162).

The Left-wingers feared that as a result of discussions which

Rates strike justified if council spending too high—YC leader

BY RICHARD EVANS, LOBBY CORRESPONDENT

A CONTROVERSIAL proposal that ratepayers should consider a rates strike in protest at unnecessarily high local government expenditure was made yesterday by Mr. Tony Kerpel, national chairman of the Young Conservatives.

In a speech to Hampshire YCs at Farnborough, Mr. Kerpel, in defiance of the views of the party leadership, argued that if local authority spending continued to get out of hand

despite cuts imposed by central government, "then it may be that local people will have to take matters more into their own hands."

If authorities insisted on continuing high expenditure unnecessarily, and there was no immediate chance of replacing councillors at the polls, there was only one course of action open to people, Mr. Kerpel suggested.

This was to say to the

authorities: "In default of your exercising your duty to restrain expenditure, we will do the job for you. We will continue your abuse of the public interest."

In other words, they should refuse to pay a proportion of the rate demands. "We will consider the complex and far-reaching legislation effectively," Mr. John Silkin, the Minister in charge of the Bill, had refused early requests for shorter sit-

Compromise reached on Land Bill sittings

BY RICHARD EVANS

AGREEMENT TO and the marathon committee stage sittings of the Community Land Bill by July 15 was greeted as a victory yesterday by both Ministers and Opposition leaders.

The compromise, reached at 5 a.m. following a series of all-night sittings on the Bill which had driven Conservative members of the committee to table an early day motion in protest.

They claimed the arduous sittings made it impossible to consider the complex and far-reaching legislation effectively. Mr. John Silkin, the Minister in charge of the Bill, had refused early requests for shorter sit-

tings because the Opposition would not agree to a specific date for completion of the committee stage.

Having at last obtained agreement to the July 15 date, Mr. Silkin readily acceded to the Opposition request for two sittings a day on Tuesdays, Wednesdays and Thursdays. This is expected to be confirmed by a resolution of the committee to-day.

Ministers are now confident that the measure, which authorises local authorities to take over any site for which planning permission is necessary, will complete its stages in the Lords before the summer recess and become law during the Parliamentary "spillover" period in the autumn.

New scope in Commonwealth

BY JUSTIN LONG, PARLIAMENTARY CORRESPONDENT

NEW SCOPE for the growth of industrial investment in the Commonwealth was fore-shadowed on both sides of the Lords yesterday.

Both Lord Home and Lord Balniel on the Opposition side urged new initiatives to assist our improving industrial relations with the under-developed countries of the Commonwealth.

Lord Home believed that the better understanding of the U.K. shown by the countries of the new Commonwealth came in some part from their realisation that in Rhodesia we were seeking an evolutionary multiracial state.

Lord Home said there was nothing incompatible between British membership of the European Community and British partnership in the Commonwealth.

"We can embrace both Europe and the Commonwealth and we must make it our purpose to see that they are complementary to each other politically and economically."

Language

The Commonwealth was not a military alliance or an economic bloc. "If the Commonwealth has a label I suppose it is a political association of nations which can debate any issue without a veto, which consciously seeks a consensus and quite often arrives at it."

Britain should not hesitate to give a lead to the Commonwealth. The English language was bound to the world language of science and technology and we should do all we could to help

in the teaching of English in Commonwealth countries.

Opening the debate Lord Gorman, former chief adviser to the Government on Commonwealth affairs, said it would not have been right for Britain to join the Common Market without securing reasonable terms for the Commonwealth. He had been surprised at the generosity of the terms secured in the 1970 negotiations. Perhaps the greatest disservice to Britain in Commonwealth relations had been performed by the image of Britain projected abroad.

"It is not only commentators in Europe and the United States who have tended in recent years to write Britain off. Many of our warmest friends in Commonwealth countries think that they see in Britain a country which is heading for disaster."

"Nothing has distressed me more in the last year or so than to hear some of our best friends in Australia, New Zealand and Canada express the view, certainly in sorrow and not pleasure, that Britain is finished."

Both the Community and the Commonwealth could help us but neither could rescue us. Only we ourselves could overcome our present troubles.

He profoundly hoped that the decisiveness of the referendum vote and the sense of national unity which it engendered would give a new sense of purpose to the Commonwealth and take the hard road to recovery.

Opposition spokesman Lord Balniel said that in recent years there had been the fear that because of our Community

membership, Britain might be turning her back on the Commonwealth. A number of people now felt that Britain was losing touch with the Commonwealth.

"But equally it would be foolish to pretend that things are just the same as they were a year or two ago and it would be wrong to pretend that there has not been a degree of disenchantment in the U.K. about the Commonwealth."

Much could be done to strengthen the elements which still seemed valuable as far as the Commonwealth was concerned. The future of the Commonwealth should be built on the twin pillars of constant consultation and co-operation.

Lord Brockway (Lab.) said he regretted the departure of Mrs. Judith Hart from the Ministry of Overseas Development. "She did more constructive work, with greater intensity of sincerity than anyone who has held that post."

"I particularly regret that the Department should now be made subordinate to the Foreign Office, which binds us to the constraints with the danger that political motives rather than humanitarian need will determine how aid is given."

He called for an assurance from the Government that it would press for the Lomé Agreement to be extended to Commonwealth countries in Asia, many of which were the poorest Commonwealth nations with the largest populations.

Lord Greenhill of Harrow, a former Permanent Under-Secretary in the Foreign Office, said

that some historians of the future might argue that the extent of Britain's world position.

Immigration, Rhodesia and Europe were areas in which decisions were made more difficult and possibly were wrongly made because of the existence of the Commonwealth. He added that he did not share this view, but there was substance in the argument.

Lord Cobbold, former Governor of the Bank of England, commented: "If we are to be successful partners in any association, whether Europe or the Commonwealth, we have first to put our own house in order and to deal with our own inflationary problem. The sooner we get on with this the better for all concerned."

Lord Segal (Lab.) warned: "If our economic situation becomes weaker so will the ties which bind us to the constraints of the Commonwealth also weaken. The stark fact remains that there is literally no other country to take the place of Britain as leader of the Commonwealth."

"If we can create a stable flourishing economy here at home and restore sterling to one of the world's hard currencies, then the Commonwealth will become as strong as it has ever been and still have a great role to play in shaping the world's future."

Silkin explains powers to stop publication of books

ATTORNEY GENERAL Mr. Silkin, questioned about the powers of the Crossman diaries, yesterday explained his powers to take court action to stop publication of books.

He told the Commons in a written answer that it was part of his job to take action necessary to protect the public interest and accord with the existing law.

Mr. Eric Heffer (Lab., Walton) asked him to explain what criteria were used in seeking an injunction to prevent publication of documents like the diaries of Crossman.

Mr. Silkin replied: "So far as court action to prevent or delay the publication of books and documents, I pay particular regard to the principle of collection of the public interest, the preservation—so long as necessary—of the confidentiality of disclosure entered into and documents had asked him to explain what criteria were used in seeking an injunction."

Summerskill attacks cost of drugs 'with no effect'

MILLIONS of pounds are being spent each year on drugs which have little or no effect on diseases which were caused by patients, Baroness Summerskill said in the Lords yesterday.

Lady Summerskill said that the Government had the Director General had been given a comprehensive review of the efficacy, safety and quality of drugs being sold many drugs with only medicines currently marketed on marginal or no impact on health. Britain, many of which had she asked what action the Government had never been reviewed before.

Advertising and TV down: radio up

BY ANTHONY THORNCROFT

THE technicians dispute seems to have cost the commercial television companies between £2m. and £3m. in advertising revenue judging by the May figures. These show that ITV revenue was over £40,000 down on May 1974 at £13,774,506. Without the interruption in programmes ITV might have shown a 10 per cent. gain in revenue.

Advertisers are booking TV spots so close to transmission that it is impossible to gauge whether the companies will win back the lost revenue. The indications are that June is 10 per cent. up on last year, which suggests that the lost money is not coming back to any great degree.

It may be that the possibility of a rail strike is holding back the commitment of advertising agencies to cash could flow more freely if the dispute is settled.

One encouraging sign for ITV is that audiences have come back strongly after the interruption in programmes.

For commercial radio May was another encouraging month with revenues for the eleven stations on air rising to £700,264, as against £611,825 in April. If the summer months maintain their encouraging start it could be that the local radio stations will reach the £10m. revenue target in 1975, comfortably above the pessimistic forecasts.

DOYLE Dane Bebach has been appointed by the COI to handle the advertising for the Department of Health and Social Security campaigns on social security, including the Family Income Supplement.

The account has been with Leo Burnett since 1969, and although the budget for 1975-76 has yet to be determined, £350,000 was spent in the last financial year.

TWBA in London is now handling the advertising for the Atlantic editions of Newsweek Magazine. The TWBA agencies in Paris, Frankfurt, and Milan will be involved in promotions and sales support activities.

FLETCHER-SHELLON has gained all the P & O Ferries business, worth about £450,000 a year. Previously the individual ferries had their own agencies but now there will be more of a corporate advertising campaign.

GILLETTE is switching its Technic razor account from GEM to JWT. JWT will now look after all the shaving products while Gillette concentrates on colognettes.

In another move between the two agencies JWT gets the BP Pink Paraffin account, which spends around £250,000 in a normal year.

AFTER six weeks in operation, 12 per cent. of households in the Yorkshire TV test area are collecting bonus money, according to a preliminary survey by the marketing company.

pany handling the promotion. Basically anyone buying certain brands receives points, and a collection of 1,500 points can be redeemed for £1.50 in cash. Companies like Lever Bros., Cadbury, Schweppes and Pedigree. In the U.S. a similar exercise is now national, with points collected by a quarter of households. Glaxo is claiming that 10 per cent. extra sales. BENTON and Bowles will, in future, look after all the European advertising of Alcoa, the world's largest aluminium company. Previously the agency was responsible only for its activities in the U.K. The agency will be paid through a combination of fees and commission, to the equivalent of £500,000 plus a year.

Coining it

OLD COINS have proved one of the very, very, best investments in the last ten years, and while other sectors of the world have had their tremors in the past few months, coins show few signs of losing their appeal. So says the London-based company which is the leading European numismatist, has been kept busy.

Like most fine art dealers, the main problem recently has been getting sufficient supplies from potential sellers, but Seaby is now taking a marketing time-out. Last week it was transporting a mobile exhibition to Jersey where the financially straitened islanders can look at and buy selected coins, ranging from a 19th Century bar valued at £250 to a Queen Anne gold piece for £4,000. The exhibition is advertised on Channel TV, at a cost of just over £20 for two peak spots, and should be the first of many displays around the U.K.

The boom in coin prices—representative collection of English coins has risen forty in value over the past 30 years—has started to attract the attention of companies, and on the Continent Seaby is dealing with corporate investors. But despite the bubble exhibition, the basis of the business now well over £1m. a year, is done through the catalogue, with collectors, many of whom started as investors and have been humanised.

How Lintas helped Wall's make big lolly.



"Only where you see the Wall's sign will you find all these exciting new things."



Watch out!!!



It's new Dalek's Death Ray! SEINE-CHILLING ICE LOLLIES.



Get 'em... only where you see the Wall's sign!

Read the extract above, taken from Lintas' latest commercial for Wall's confectionery products. Then say to yourself, "with this one commercial, Lintas shot new Dalek's Death Ray from nowhere to double its operational sales plan, making this Wall's biggest selling lolly. Because that's exactly what happened. In just one month. Which is cool."

Join Wall's Ice Cream at Lintas

Call Gerald Wright on 01-583 8030

New Issues on the Belgian Market

These securities having been sold, this advertisement appears as a matter of record only.

SOCIETE GENERALE DE BELGIQUE

2,700,000,000 - BF Convertible debentures

8.25 % 1975-1987

represented by 900,000 debentures of BF 3,000 - nominal value convertible into Parts de Réserve shares of no par value.

The issue has been underwritten by

SOCIETE GENERALE DE BANQUE S.A.

and by the following Banks:

Amsterdam-Rotterdam Bank N.V.
Banque Commerciale Italiana S.p.A.
Banque Belge Limitée
Banque Générale de Luxembourg S.A.
Crédit Commercial de France
Crédit Lyonnais S.A.

Arab Finance Corporation S.A.L.
Banque Belge (France) S.A.
Banque Belge-Zéroise S.A.
Créditanstalt-Bankverein A.G.
Crédit Industriel et Commercial S.A.
Crédit du Nord et Union Paribas-Union Bancaire

Deutsche Bank A.G.
Kredit Foreign Trading, Contracting and Investment Co. S.A.K.
Midland Bank Limited
Schroeder Wagg (J. Henry) & Co. Limited
Société Générale S.A.

The Marketing Scene

Burnett acts to meet the crisis

BY ANTHONY THORNCROFT, MARKETING EDITOR

THIS year the average advertising agency has managed a 5 per cent. increase in income while costs can be up to 40 per cent. greater. The whole structure of the advertising world, with the agency's livelihood based mainly on billings and most clients reducing their expenditure, is becoming impossible for the agencies. This week Leo Burnett has attempted to break through the stranglehold by initiating the most drastic series of changes to hit the advertising industry for years.



Mr. Gordon Barrett

In short, Burnett, the fifth largest agency in the world with 1974 international billings of \$77.7m, has reduced the staff of its London office by 20 per cent. At the same time it has notified eight clients accounting for over 10 per cent. of its billings, that it intends to cease working for them.

In all 63 people employed by the agency were given notice this week, reducing the staff to 188. The accounts department at Maidstone is not immediately affected, although there could be sackings here in the future. The current wave of redundancies reduces the Burnett payroll from over 300 18 months ago. At the same time the agency's billings have remained the same, at around £17.5m.

Ironically the staff shedding means that this year Leo Burnett will not make a profit. It might make a small surplus, but the severance payments will eat up any profit. The changes should mean a reduction in costs of 20-25 per cent., and a billing fall of only 10 per cent., since the advertisers dropped are not particularly profitable, have limited prospects, and do not fit into the new structure at the agency. Their identities remain secret to save them from the attention of over 200 agencies, but none bills over £200,000.

For Leo Burnett the changes represent a commitment to a new type of agency. The redundancies are concentrated in the administrative and planning areas. In future Burnett will major on its creativity ("the agency's staff is the advertisement," says managing director Gordon Barrett; its client service and research, and its media buying.

The agency is able to make the staff cuts partly because it will lean heavily on its computer which comes on stream later this year. The main department shored up is administration, and in future the creative and client servicing functions will be headed by the same personnel. Plannings will specialise on the media side rather than more on the creative side, although the Life Style research, which the agency has pioneered in the U.K., survives in the form of a second generation model. But basically research will concentrate on advertising and its evaluation.

Mr. Barrett is one of the directors to leave the board, but he will continue as a consultant on research matters. None of the other top line casualties are among the agency chiefs, and there are promotions—Ron Bond, Gary Rozaerde, Susanna Seggi, and Jill Ferguson join the Board, with LaZell becoming client service director and Susanna Seggi taking over from Mark Loy as research director.

The agency will also achieve a considerable saving in overhead costs, although it intends

to remain at 48 St. Martins Lane. The surplus office space will be let to service agencies in the group. The agency has alerted clients to the changes, and despite its problems this year, is able to claim new business from Kimberley Clark, RHM, Philip Morris, Pilkingtons, Scottish & Newcastle, the COI and the Greek National Tourist Board in 1974-75. It is just that some of its major packaged goods clients, like Beecham and Cadbury, have not been able to maintain their advertising budgets. Hence the re-assessment. Other subsidiaries, such as the financial advertising, are not affected.

Cutting cost of pitches

IT COSTS advertising agencies around £12m. in staff time and overheads to pitch for new accounts during a year: it costs advertisers over £800,000 in looking at prospective agencies. Now a new organisation, which has produced these rough estimates, has emerged, designed to save some of this usually wasted expenditure.

Called the Advertising Agency Register, and run by Lynda Payne and Joan Millington, formerly of Berkeley Staff, the idea is that agencies pay £200 to sign up for a year. The Register would be revised each month and operate on two levels, one including the obvious data such as staff, accounts, billings, directors, etc., in the agencies, and then the more confidential information including a ten minute video presentation prepared by each agency. Advertisers would pay £25 for the basic low-down on any ten agencies they are interested in, or £50 for the more intimate study.

The aim is that by going through the Register advertisers can eliminate those agencies that might have made their initial long list, but not the short list, thus saving on costly visits. For agencies there is a similar economy in that they will not have to make presentations that get them nowhere.

Rather limited research suggests that at present 17 agencies might be considered for an advertiser's business, perhaps 12 will be visited, and four short-listed. If you are a short-listed agency you can spend £1200 in basic costs on the presentation, and rarely is this investment recouped from the advertiser. All told, with an average eight short-listings a year, an overall rough total for the 50 largest agencies in the U.K. reaches £12m. spent on presentations.

The logic behind the Register is impeccable, but it is doubtful whether all advertising directors will want to relinquish the pleasure of calling on agencies for lunch, etc., and whether agencies, in such uncertain times, can dare to trust their future clients to something as impersonal as a Register. They know they waste time and money hustling for business, but this is now an integral part of the advertising industry. Still, initial reaction to the idea has been good, with 28 agencies already signed up, and a very encouraging response from advertisers.



Well worth a closer study
OFFORD YOUTEN & ASSOCIATES LTD
Advertising and Marketing
264 Pentonville Road London N1 9JY
Telephone 01-278 4591

TALKING P.R.!

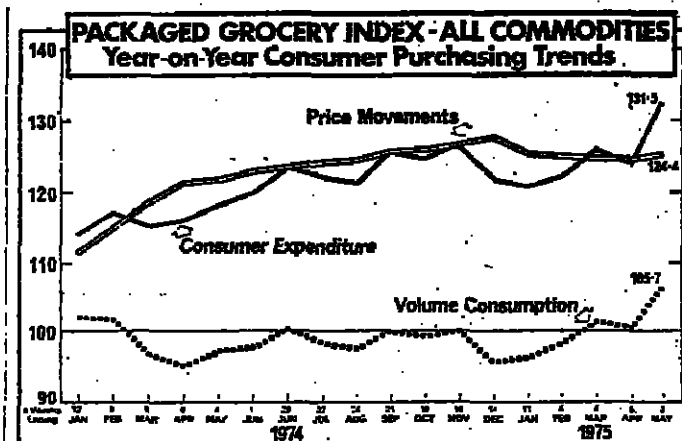
If you have problems in company promotion; if you don't want a campaign, but would prefer practical advice from a Consultant on a flat fee basis...

Ask Peter Thomas at 01-583 9371

Britain's Leaders in Video Cassette Systems



Henry Oliver, 12-14 Windmill St, London W1. Tel: 01-580 6976



Northern prices are 20% lower

BY ANTHONY THORNCROFT

THE AGB Prices Audit, which alerts both manufacturers and retailers to the price actually being charged for brands in the market, is to be extended nationally from September. For the past two years it has been confined to London, and has played a part in the decision of some of the major multiple groups to enforce a rigid system of uniform prices in their branches.

In the early days the Prices Audit showed up such anomalies as tea bags on sale from anything between 21p and 30p in Spar shops in the London area, and it underlined the fact that successful retailers, like Sainsbury, showed little or no price variation: competitors like Tesco quickly got the message.

In order to get some experience in the provinces AGB has been carrying out trial runs, and the table shows that recent reports of the price variations—and consequently differences in volume sales—between the north and London are quite true. At a northern, Kwik Save representative products could be bought almost 20 per cent. cheaper than a median shopping bag in London. So warnings that the capital with its suffering poor man of the country, while the CDD's in the north could still afford big shops seem to have some substance.

Of course "own label" does not have such a firm grip in the north and many of these items could have been bought in the "own label" guises in London, but sometimes, at least,

HOW PRICES COMPARE

Kwik Save price	Modal price in London, Multis.	% Difference
Ajax Scurver	7	101
Jacobs Cream Crackers	9	13
Brantford Pickle	15	21
Ryvita	5	91
Coronation Evaporated Milk	14	18
Fairy Liquid Washing Up Liquid	23	29
Del Monte Pears	15	19
Bisto	11	13
New Dixel Twinpack	16	19
Weetabix	18	21
Nescafe 8oz.	66	17
Birds Custard Powder	15	17
Perill "E" Pack	32	36
Kellogg's Corn Flakes	21	24
Typhoo Tea 4oz.	9	10
Oxo	14	16
£3.02	£3.61	+19.2

Source: AGB Prices Audit

Orton an incentive

ANYONE planning to go and see the West End production of Joe Orton's play Entertaining Mr. Sloane and who is also considering buying new hi-fi equipment, perhaps one of those new television games machines, should visit a Lindair shop, or a Henry's Home Entertainment Centre next week. For in a joint promotion any expenditure of over £35 on equipment gets two free tickets for the show.

This post-Budget idea for stimulating sales is obviously aimed at tourists, who every summer visit Tottenham Court Road and Edgeware Road, the two centres of hi-fi land, for goods still much cheaper than overseas. David French, chief executive of the family concern that runs both chains, does not expect British buyers to come

New products

MANY new products come from abroad—visiting U.S. super-markets is the easiest and cheapest way of getting ideas. Now there is a publication which every fortnight reports on all the new packaged goods products introduced into Western Europe.

Called the European New Product Report it is published by International Information Services based in Harley, Surrey, and owned and run by Dennis Shearman, who was chief executive of Alexander Butterfield and Ayer. Basically for £18.75 a quarter subscribers receive every two weeks a report on around 150 new product launches. In addition there is a European product procurement service so that product samples can be evaluated in the U.K.

TELEX—£25 p.a.

If your business does not warrant a Telex installation of your own then you should consider joining our Telex Sharing Scheme. Now is the time to cut your "phone bill," reduce letter writing, and speed up your communications.

THE WALL STREET JOURNAL

© 1975 Dow Jones & Company, Inc. All Rights Reserved.
PUBLISHED MONDAY, WEDNESDAY, FRIDAY, SATURDAY, SUNDAY

What's News

Business and Finance

World-Wide

Inventories & Backlogs

Business Bulletin

A Special Background Report On Trends in Industry And Finance

Opening doors to the U.S. business market.

The Wall Street Journal carries the key that gets the advertiser's message inside. Face to face with America's decision-makers. It's the only nationwide business daily in America, with the impact and selling power today's tight budgets need.

Here's what happens when you use the key:

Every business day, The Wall Street Journal reaches 4,559,000 business-minded readers.

And in America's top 750 companies (including the top 50 banks):

- The Journal is read by 82% of all company officers.
- 77% of all executives in manufacturing companies.
- 78% of those executives involved in day to day responsibility for overseas business.

Every day, American business turns en masse to The Journal. Because only The Journal provides immediate, essential news; unbiased, accurate and comprehensive.

4,559,000 daily readers respond to what they read. Because they believe in The Journal. Value its content. Use it to help shape their daily business decisions. Perhaps that's why The Journal has been identified as the most trusted newspaper in America.

Why The Journal is read by top American management 2 to 1 over Business Week, 3 to 1 over Fortune, 4 to 1 over The New York Times.

If you need the impact that opens doors to American business like no other publication can, advertise in The Wall Street Journal. For further information on how The Wall Street Journal can work for you, contact DJIMS (Dow Jones International Marketing Services) the international sales arm of Dow Jones.

The Wall Street Journal. It works.

Paid Circulation: 1,489,504
4,559,000 readers every business day.

Sources: ABC 3/26/75; W.R. Simmons, 1974-1975; Erdos & Morgan Survey of Dun & Bradstreet's Million Dollar Directory 1974; ORC Extensive Coverage, 1974-1975; Copyright Dow Jones & Company, Inc., 1975

DJIMS Dow Jones International Marketing Services.
Your access to world markets.

In London:
Ray Sharp or Chris Cheney
The Wall Street Journal
New Printing House Square
Gray's Inn Road,
London, W.C.1
Telephone: 278-6092
Telex: 885354

In Frankfurt:
Joachim Nuwar
The Wall Street Journal
Savignystrasse 29
6 Frankfurt/Main
Telephone: 74 57 40
Telex: 04 14 902

Please send me more information on the key to today's United States business market. I am most interested in:

☐ manufacturing ☐ technology ☐ finance
☐ consumer ☐ general business ☐ other

NAME _____
COMPANY _____
STREET _____
CITY _____ COUNTRY _____
(Advertising representatives in major business centres throughout the world.)

EVERYTHING FOR THE WELL DRESSED MAN

EMGEE DESK SETS. Real leather. Includes address book and blotter. Six colours with gold tooling. Complete with perpetual calendar and two pen holders. £11.55

LEDU LAMPS. The "Any angle" lamp to suit every task. Striking colours to choose from and a variety of lengths and bases. 30" arm with shelf or table clamp hung, wall bracket or drawers board hangers from £8.95. 45" tall from £9.45

HAGO TROLLEYS. The Focus 400 range contains a two-bar version for office machines, a three-shelf catering trolley and 5 mobile filing and storage trolleys. Sliver enamelled finish. 7 Models from £24.00

NATIONAL PANASONIC INTERCOM. Mains or battery operated. Finger tip volume control, plus privacy switch. Communicates up to 500 metres. Desk or wall mounting. Master unit from £18.95, 1, 2 or 3 sub stations from £9.75

EMGEE TELEPHONE STANDS. Full 360° swing leaves your desk clear for action. Single branch 12" long, 8" high £8.95. Twin branch 21" long and 8" high £9.95

WESTCLOX. Accurate to within 2 mins. a year. 10" £24.00, 12" £40.75

EMGEE DESK TOP SHREDDER. Confidential papers and cards speedily cut into 1" strips. Left or right hand swing by padded clamps. £18.50

MALLOD DESK FURNISHINGS. Traditional desk trays in teak or sapele, 3 sides £2.84-4. sides 2, 3 or 4 tier stock-arrays on chromium rods from £2.85. Teak or sapele book rack with 5 spacer angles 14" x 5" x 6" £3.75. Wall bracket as optional extra. Gold paper disk blotter, backed with soft baize and trimmed with sapele or teak veneer 22 1/2" x 17" £6.33

KARTELL ACCESSORIES. Pedestal ashtrays in white or brown, 10" diameter with removable chrome top £11.71. Matching tub in 2 sizes, 9" £2.67, 15" £3.23

Your choice of office furnishing is important. The right items make for greater efficiency. Their appearance improves your surroundings. They make a better impression on others. The items shown here say all the right things. Design sense, common sense, value for money. These are only part of a larger selection of office accessories. See them and more at your nearest Emgee dealers. You will find everything beautifully suited to your needs. (Recommended Prices excluding V.A.T. correct at time of going to press.)

EMGEE
Office Accessories
28 Grenville St., London E.C.1
(Tel: 01-242 6331)

EVERYTHING WORTH HAVING IN THE OFFICE.

MANCHESTER BUSINESS SCHOOL

University of Manchester

Post Experience Courses

THE SENIOR EXECUTIVE COURSE

For those whose position of responsibility at or near Board Level is about to change or who are about to leave their present position. By popular request we have changed the course from 1975 date to October, 1975.

6th October - 24th October 1976
2nd November - 20th November 1976

MANAGEMENT COURSE YOU PLEASE YOURSELVES

Most of the courses designed for middle management are of the "take-it-or-leave-it" type. You either have to take it or leave it. The content of the syllabus is determined by the needs of the man and of his organisation.

Before our 10 week course begins, we hold a pre-course conference for course members and their line managers. In this way they can discuss the content of the syllabus. Somehow, somehow, it is important to know what's best for you.

Here at Manchester Business School, we don't suffer from such delusions of omniscience.

The pre-course conference for next September's course will be held on July 8th and 9th. Final selection of applicants is now taking place.

Contact Sylvia Price (Ref. PYS) for further details of both courses.

MBS
Manchester Business School
Manchester Business School,
Booth Street West,
Manchester M15 6PB
Telephone: 061-273 8228

THE FINANCIAL TIMES

Incorporating THE FINANCIAL NEWS

Head Office Editorial & Advertisement Offices:
BRACKEN HOUSE, CANNON STREET, LONDON, EC4A 3BY.
Telephone Day & Night: 01-248 8000. Telegrams: Finantime, London.
Telex: 888341/2, 888397

Branches:
Birmingham: George House, George Road, Birmingham B3 7QY.
Dublin: 8 Pineapple St., Dublin 1.
Edinburgh: 12 Market St., Edinburgh 1.
London: Bracken House, Cannon St., London EC4A 3BY.
Manchester: Queens House, 100 Market St., Manchester M2 1PL.
Paris: 30 Rue de Valenciennes, 75011 Paris.
Rome: Palazzo della Pace, 00187 Rome.
Frankfurt: 6 Frankfurt am Main.
Geneva: 20 Rue de la Paix, 1201 Geneva.
New York: 10 Rockefeller Plaza, New York 10020.
Washington: 1100 15th St. N.W., Washington D.C. 20004.
Toronto: 285 Ont. St., Toronto 5T 2C4.
Sydney: 364 Sussex Street, Sydney 2000.
Tokyo: 8th Floor, Nishi Shinjuku Building, 1-2-1 Nishi Shinjuku, Tokyo 163.
Zurich: 1, Postgasse, 8001 Zurich.

THURSDAY, JUNE 19, 1975

Earnings and prices

AVERAGE earnings have been rising faster than retail prices and retail sales have therefore remained steady despite the drop in industrial production. Whether retail trade will remain buoyant for much longer is an open question: the sharp drop in the value of sales in May was largely a reaction to the sharp increase in the previous month set off by the Budget, and it remains to be seen how the present month will turn out. The latest CBI inquiry reports a marked fall in orders placed with member firms in the consumer goods sector.

The April spurt in buying was caused by a rush to anticipate the various increased rates of tax announced in the Budget. It was estimated that these would add some 2½ per cent. to the index of retail prices, and the May index did indeed rise by the very sharp amount of 4 per cent. over April; this brought the index to a level 25 per cent. higher than that of a year before. The Budget measures, though bound to produce an immediate increase in the cost of living and so to stimulate wage demands based strictly on movements in the index of retail prices, were primarily intended to deal with the fact that wage rates had in fact been rising faster than prices, despite the TUC guidelines to member unions, and to contain consumption.

Sizeable gap

Though the gap between wage and price movements has been narrowed, it is still sizeable. With the Budget tax increases, the retail price index in May was 25 per cent. higher than a year before: the index of average weekly wage rates for manual workers, on the other hand, has been more than 30 per cent. up on the year for three months past, and in May was 32.6 per cent. higher. The figures for any particular month must be treated as provisional, partly because they may be strongly influenced by the coming into force of particular large wage settlements, partly because they are always liable to be revised upwards later as a result of subsequent wage settlements which have been

The elusive boom in the U.S.

IN SPITE of the Administration's persistent optimism, the turn for the better in recent predicted upturn in the U.S. economy is proving as elusive as ever. Industrial output fell for the eighth straight month during May, with the result that this important indicator is now 13 per cent. below its peak in September 1974. Other indicators still point in conflicting directions. The debate in Washington has settled down into an exchange of statistics between the Administration supporters who favour the "V" theory and argue that the climb up the V is now beginning, and critics who postulate an "L" theory and fear a lengthy plateau of recession.

Tax rebates

The truth is probably less dramatic than either of these extremes suggest: a normal "U"-curve, with recovery delayed for rather longer than the Administration has been bargaining for. The ingredients for an eventual recovery are certainly there. People are now receiving the tax rebates arranged for last year, and the effect on demand should soon be felt. The latest count suggests a record budget deficit approaching \$70bn. in the current fiscal year. The Federal Reserve chairman, Mr. Arthur Burns, has promised Congress that the Fed's objective for the year from March 1975 will be an increase in the money supply of between 5 and 7½ per cent. on the "M1" definition (currency plus demand deposits); since this is a considerable relaxation of last year's tight money policy the effect should be felt sooner or later work its way through. The run-down in stocks, which can be interpreted in various ways, is seen by the Administration as a guarantee that future retail sales will have a quick and direct effect on orders from manufacturers.

The trouble is that so far the lags are turning out to be inordinately long. It is true that the Commerce Department's newly-reconstructed index of 12 lead-

Resistance

The general uncertainty is understandable. The Administration believes that it has the levers set about right, and, to its credit, is resisting some proposals that would smack of an ill-timed panic turn-around of the kind that has done so much damage in this country in the past. Mr. Burns has warned that he will tighten credit again if he comes to believe that inflation is being rekindled by a too-rapid recovery. But all these good intentions could be upset by events that are not wholly within Washington's control: a sharp rise in the price of oil in September, say, or a failure of the other leading industrial economies to move towards their own recovery at a suitably measured pace. The upturn will surely come—but the questions when? and how much? and how inflationary? remain unanswered.

Tankers and bankers: little oil for troubled waters

The huge tanker surplus bodes ill for some banks who have lent to shipowners. By Stewart Fleming

ACCORDING to the mid-June analysis by shipbrokers John I. Jacobs, the number of oil tankers laid up or idle has now reached 438, totalling some 30m. deadweight tons or over one-tenth of the world's tanker fleet. This number includes 20 giant tankers of over 250,000 d.w.t. but excludes 43 combined carriers, totalling 4.5m. d.w.t. which are also laid-up. At current building costs, conservatively put at \$200 per d.w.t. this wasted shipping is worth over \$6bn. in terms of replacement cost.

Another measure of the crisis is given by H. P. Drewry, the shipping consultants who forecast Burmah Oil's tanker problems in mid-1974, some months before Burmah itself fully appreciated the risks it was running. Drewry suggests that, in addition to the 30m. d.w.t. now idle, a further 70m. d.w.t. of tanker capacity is on "short time," steaming slowly with cargo to conserve fuel and avoid being laid-up.

Overall, the evidence is that the situation is still deteriorating with no improvement in sight, even on optimistic assumptions, until around 1980. It is this which is causing anxiety to shipowners, their bankers, oil companies and Governments, especially in Japan which is heavily committed to building about half the \$20bn. total of new tankers scheduled for delivery during 1975 and 1976.

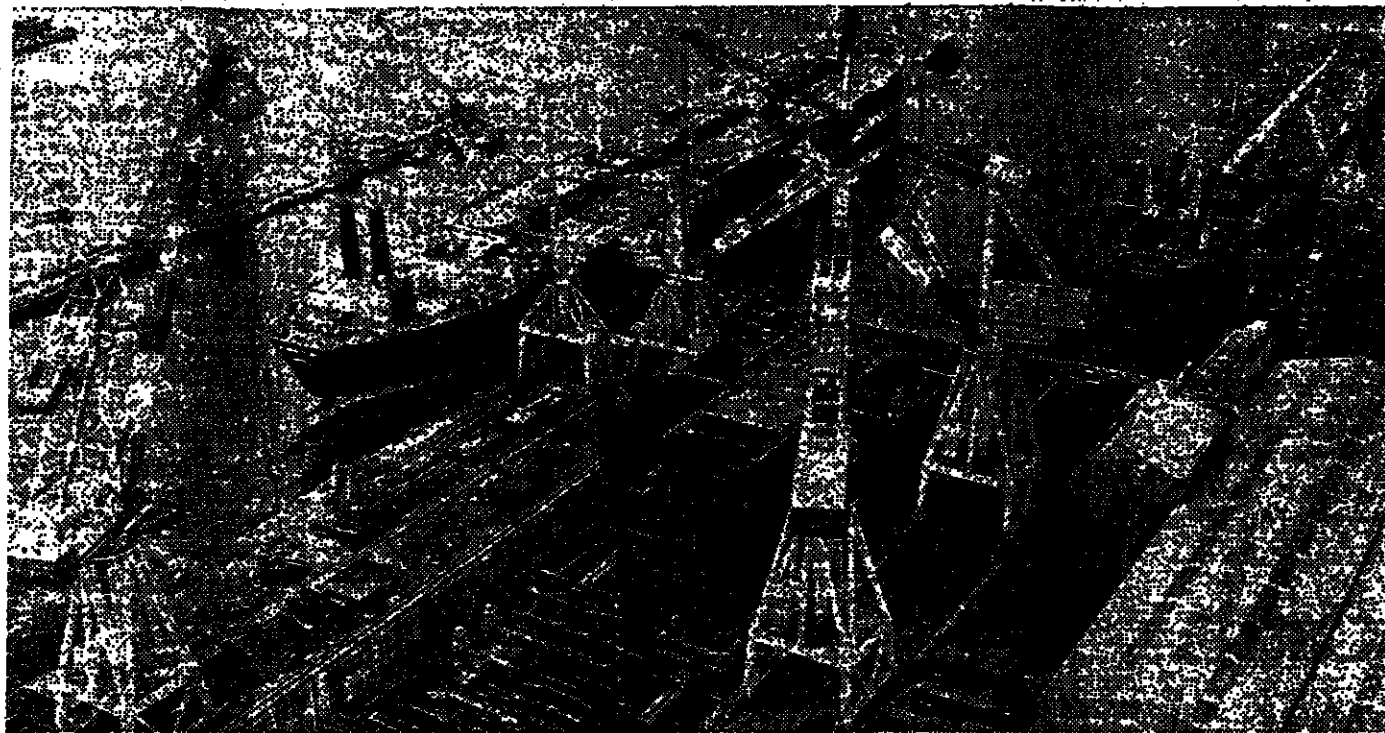
The grim prospects were spelled out most clearly in a report issued by a leading British oil company over the weekend.

Looking at the current order book, the company pointed out—and its figures are widely accepted in shipping and banking circles—that the world's tanker fleet could increase by around a third in the next two years, with a substantial proportion of the rise accounted for by new VLCC tankers in the 170,000 d.w.t. class and over.

Parking lot

None of this extra capacity is needed, least of all the new ships of over 250,000 d.w.t. So the bulk of the new tonnage now coming off the world's slipways, which will still have to be financed on the assumption that large scale cancellations will not begin to take effect until the second half of 1978, is likely to steam away to a parking lot in some sheltered (but deep) natural harbour.

About three quarters of this new capacity is on order not to oil companies but to private owners who now control about two-thirds of the world's tanker fleet. It is on them, and their bankers that the burden of financing this new and at present largely useless addition to the shipping fleet is likely to fall. The prospect is as worrying to the banks as it is to the



Tankers under construction in a Japanese shipyard: anxiety runs especially high in Japan, which is building half the new tankers for delivery in 1975 and 1976.

the largest U.S. banks last week cited the example of a 250,000 d.w.t. tanker without a charter which might have sold for \$65m. in 1973, but is now worth a maximum of \$25m. As one shipowner remarked: "Some of the banks have not yet told their shareholders the extent to which their shipping loans are uncovered." Even some of those banks which thought they were taking a cautious line by lending only 50 per cent. of construction costs are probably now uncovered on large new tankers without charter. One leading shipping banker says that "even the conservative lending valuation of \$180 per d.w.t. is looking shaky now."

How the oil business reached a situation in which it will increase its oil tanker fleet by a third when it cannot even fully employ those tankers it has already got, is easy to describe but difficult to explain. The starting point, inevitably, is the five-fold increase in oil prices since the Yom Kippur war of October, 1973, which was as much a watershed for the tanker market as for Western economies. Before the war,

the quality of the security of profitable employment. Even a laid-up ship needs to be creped and kept in working order, for the costs of maintenance can be high. Hagge Waage recently paid DM45m. compensation on each of two 473,000 d.w.t. tankers chartered from a German shipyard. Bankers faced with the prospect of subsidising shipowners or taking over ships or operating or selling them can scarcely feel any happier. Neither can governments such as that of Japan.

So far the only indication of Government action to try to ease the situation has come from Norway, whose shipyards and shipowners are of considerable importance as sources of employment and foreign currency. But there are some in the shipping world who are quite adamant that wider Government action is needed to avoid the growth of tanker capacity. Otherwise, it is feared, the tanker market could be depressed for a decade. It is argued by some oil companies that the most urgent need is for a vastly increased rate of cancellation of new ships to ensure that the world fleet does not grow by the expected third in the next two or three years.

Cancellations have, of course, been taking place. Thus John I. Jacobs suggested in December that by the end of 1974 some 11m. d.w.t. had been cancelled with another 22m. d.w.t. looking vulnerable. By now as much as 25m. d.w.t. may have been cancelled, with another 28m. d.w.t. actually cancelled but not announced. It is generally assumed, however, that a large proportion of the cancellations relate to 1976-78, and even on these estimates the world tanker fleet could still increase by around 100m. d.w.t.

More profitably employed product, and the need to find profitable outlets for expanding deposits. Naturally, different shipowners have different commitments: some have diversified out of shipping, others have relatively small commitments to large tankers, and yet others cancelled orders for new tankers quickly, at the first signs of depression. So it would be inaccurate to imply that every bank involved in shipping finance is now inevitably faced with owners who are about to repudiate their debts or ask for a moratorium on capital repayments. One leading U.S. bank has claimed that even on its forecast that there will be no significant recovery in the tanker market until 1980/81, it would not need to subsidise any of its clients either by deferring loan repayments or rolling-up interest.

"We see the next crunch coming for owners and bankers who are financing ships which are now coming off the stocks but which don't have a charter to take up," says another banker. "In the current state of the market they have no prospects of return, and the need to find profitable outlets for expanding deposits."

For shipowners with relatively limited financial resources, sucked into a speculative tanker boom and now facing the prospect of being unable to service the debt incurred as a result,

Potentially dangerous

For the newcomers, the business was always potentially dangerous. Generalisations about the shipping market, the shipowners who operate in it, and the financing schemes they employ are perilous, for shipowners are as diverse as they are ingenious.

MEN AND MATTERS

From Beetles to Hasselblads

Men who voluntarily give up managing \$70m. turnovers to drop to the single million mark must be looking for something. John Wagner did it yesterday, aged 42, resigning as managing director of Volkswagen (GB) to take over the odd-sounding Group (I and E). The decision is the more unexpected because Volkswagen (GB), which he took charge of when Thomas Tilling merged its VW and Audi NSU concessions in 1973, has taken an awful beating during most of that period until now. With things coming right at last, and the company taking nearly five per cent. of the British car market in both the past two months, Wagner is going to miss the good times. These have returned this year partly through British inflation making the German imports more competitive (all the Leyland and Ford price rises well outweighing the fall in sterling) and partly through new models coming in. The VW Golf is already the biggest selling European import, getting to within hailing distance of the import market leader, the Datsun Cherry.

Datsun U.K. is run by Octav Boinar, Wagner's predecessor at Audi NSU. The same sort of musical chairs move applies to his successor at Volkswagen (GB), Michael Heales, since he is the ex-husband of another Thomas Tilling German concessionaire, Mercedes. And the pattern of importers sticking to importing is also shown in both Wagner's previous jobs as managing director of Volvo and Grundig's British arm, and in his next one with Group (I and E).

Behind that last name is a family business, started by Wagner's father in 1958, after he had already made one successful career in frozen foods. His second was an adaptation of

his hobby photography, acquiring with I and E the British distributorship for Hasselblad, the Swedish company which makes probably the most expensive "standard" camera systems in the world.

Before Wagner's father's death, he had promised he would take on the business and try to enlarge it, the main idea being to get rich amateurs interested. So Wagner says there is a strong family motive, plus the chance to build up capital—which I haven't managed to do in 15 years of corporate life—behind his decision to be his own boss.

A postscript to his career in big business may soon be added. For Thomas Tilling, after profits from VW (U.K.) of \$2.5m. in 1973 and losses of £1.5m. in 1974, is negotiating to "reduce its funds" in the VW and Audi franchise. Tilling will not say whether it was aiming at a complete disposal as it achieved when selling the Mercedes franchise back to the parent Daimler-Benz company two years ago.

Less pain?

Paul Bawcutt clearly sees motorists and their insurance companies in a near-constant state of nail-biting anxiety. "From both the customers' and the insurers' point of view," he said yesterday, "it has always seemed to me to be an unnecessary chore to have insurance contracts which have to be renewed once a year. The insurer has to re-rate the insurance, produce many documents and send them to the customer. In the hope that the customer will send back a cheque and carry on doing business with him."

"The customer in turn has to receive these documents, consider their implications, write a cheque for a large amount and return an acceptance to the insurer trying desperately to reach a renewal deadline which may well not coincide with the payment of his salary into his bank account."

Bawcutt's answer is an earnings index-linked, monthly payment scheme for insurance, deducted from a bank account by direct debit and called with rare grandeur the Perpetual policy. Bawcutt, 32, is product development director of Ship-ton Insurance Services which,

not shown social contract-breaking tendencies, and court injury awards have been going up more slowly than general inflation.

Motoring notes (1)

Bad news for John Simon. He was the man who jumped from the frying pan into the fire, leaving the joint managing directorship of Dunlop in 1972 to head British Leyland International. What Simon, marginally younger than John Barber, the BL managing director, failed to do was to sign up for permanent pensionable employment.

Barber signed a service contract which guaranteed his job, or at least the salary for it, until put out to grass at his 65th birthday on April 22, 1984 to retire to his house bought from BL. So Barber's agreement, at a minimum of £42,000 a year, had nine years to run when Sir Don Ryder decided that the working side of it should be terminated. Simon had no guarantee of a job for his working life. So he will get just one year's money, though BL sources emphasise that the pension arrangements will be generous.

... and (2)

Good news for Jack Jones. He now has his Rover car back from British Leyland's special service depot on Western Avenue, London. This is where some export cars and those of privileged British customers are locked after. The servicing of the Rover took three days longer than usual, but Jones could hardly persist with complaints. Delays at the depot have been due to one-day stoppages by his Transport Workers.

Observer

It is a simple matter to acquire new offices

-or is it?

?

2 Is the building suitably located for our key staff?

2 Will the floor support our latest computer?

2 Are canteen facilities included?

2 Will the air conditioning allow maximum flexibility of partition layouts?

2 Are we paying too much?

For advice on the many problems associated with the acquisition of new premises, whether large or small, consult the experts for office accommodation in the UK and overseas

Edward Eraman

6 GROSVENOR STREET LONDON W1X 0AD 01-429 891
LONDON • PARIS • GLASGOW

ECONOMIC VIEWPOINT

BY SAMUEL BRITTON

Why the social contract should die

IN THIS column last week I argued that the Government's objective of halving the rate of inflation in the next 12 months was woefully inadequate. This was because (a) if the target inflation rate is as high as 12½ per cent, the outcome is likely to be a good deal higher; (b) an inflation rate of 12½ per cent, even if attained at the bottom of a recession, would be a springboard for much higher inflation when the world economic upturn comes next year; and (c) because it is too late for a gradualist approach to inflation control: starting from 25 per cent, inflation, this would involve years of shockingly high unemployment and recession conditions which no government would be able to sustain.

Basically the choice is between a new approach, designed to secure genuine price stability next year, and learning to live with Latin American rates of inflation—the banana republic option. It would be wrong to resign ourselves to the latter because of a misleading analogy with Italy, where the communists gained following a stabilisation programme.

Cornerstone

The cornerstone of my alternative is a near ceiling on total money spending and money demand in 1976. The aim would be to limit the nominal National Product to a ceiling of, say, £100bn. in money terms. In popular parlance this would be presented as a limit of £100bn. on all incomes and all spending, to be achieved not by wage or price controls but by regulating the flow of money. Collective bargaining would still be able to influence the distribution of the total wage bill among different groups, as well as a choice between pay and jobs.

The cash limit on public spending advocated by the Opposition financial spokesman, Mr. John Nott, would be a key instrument in stabilising national spending. A similar constraint would be imposed on private spending and incomes by control of the money supply and the Budget deficit. When Chancellors have in the past threatened to take out of the economy any extra spending put into it by union wage claims, officials have tended to smile at their naïveté because demand management does not work on this principle. My proposal is that it should.

The Government would, however, engage in intensive negotiations and public explanation (a) to convince people that the monetary target will be maintained and (b) to persuade union leaders to accept a nil norm for the generality of workers in 1976 (and some transitional arrangements for the remainder of 1975) as the best way of securing reasonably full employment and an early end to the recession.

The policy, which relies primarily on monetary controls, with a "persuasive" approach to incomes as an adjunct, is poles apart from the present "tripartite" talks which are attempting to talk down inflation through paper pledges by TUC leaders.

My outline plan is put forward perfectly seriously and not as a *jeu d'esprit*. It is unlikely to be followed, mainly through lack of political leadership and intellectual imagination. But even if it has no chance of being adopted by the Wilson Government I still believe that the present tripartite talks do more harm than good, and that a social contract Mark II could actually worsen the rate of inflation. In other words we may be better off if the talks break down and Mr. Healey is

JOINT STATEMENT OF INTENT ON PRODUCTIVITY, PRICES AND INCOMES

THE OBJECTIVES
The Government's economic objective is to achieve and maintain a rapid increase in output and real income combined with full employment. Their social objective is to ensure that the benefits of faster growth are distributed in a way that satisfies the claims of social need and justice. In this way general confidence will be created in the purpose of the national plan and individuals will be willing to make the improvements in national income benefits already announced.

THE IMPROVEMENTS
The Government will set up machinery to keep a continuous watch on the general movement of prices and of money incomes of all kinds and to carry out the other functions described in paragraph 10 below. They will also use their fiscal powers or other means to achieve the following:

On behalf of the Trades Union Congress
(Signed) COLLISON
GEORGE WOODCOCK

On behalf of H.M. Government
(Signed) GEORGE BROWN
JAMES CANNAN
DOUGLAS JAY
RAY GUNTER

On behalf of the Association of British Chambers of Commerce
(Signed) RICHARD WILLS
CHARLES HEY

On behalf of the British Employers' Confederation
(Signed) MURIEL LLOYD
GEORGE POLLOCK

On behalf of the Federation of British Industries
(Signed) PETER RYDER
NORMAN KENNEDY

On behalf of the National Association of British Manufacturers
(Signed) LESLEY JENNINGS
BARBARA GRAY

16th December, 1964.

Weighty signatures on the 1964 Statement of Intent, but it was all wishful thinking. Little seems to have been learnt since then.

left to rely on his other policies. The Engineering Workers' rejection of the social contract could turn out to be the best thing that has happened for a long time.

There is no need to rely on the crystal ball for social contract Mark II, when we can look at the record of social contract Mark I. Let me quote the May Review of the National Institute for Economic and Social Research, a body passionately attached to incomes policy.

"A year ago, in the May 1974, Economic Review, we calculated that if from the end of Stage 3 incomes rose only in line with past price rises, the rate of price increase would come down to 12 per cent. during 1975, and about half

that during 1976. It was basically the intention of the social contract to bring something like that about. During the past year, however, money incomes have risen so much faster than prices that now the prospect for 1975, compared with 1974, is not for a deceleration of the price rise, but for an acceleration.

But, of course, there is a much longer history of wishful thinking about voluntary incomes compacts. Little seems to have been learnt since Lord George-Brown's *Statement of Intent* signed with great ceremony at Lancaster House in December, 1964, in which I was involved in a minor capacity. Wage increases continued to accelerate (to the then unheard

of rate of 10 per cent.) and the voluntary system collapsed with the freeze and squeeze of July, 1966, and the 1967 devaluation.

The experience of the 1960s did not prevent the Confederation of British Industries from undertaking its unfortunate price restraint initiative of 1971. The unions did not play the Boy Scout role expected from them in following the employers' example; and its main effect was to give a shove to the decline in industrial profits. The CBI failure did not in its turn prevent Mr. Edward Heath from spending a lot of time at the Chequers talks of 1972 in an attempt to get a voluntary pact from the unions; and neither Lord George-Brown's experi-

ences, nor Mr. Heath's, nor even the experience with its first social contract, have prevented the present Labour Government from following the same path.

There are two separate ways in which an agreement on a workers might quietly accept quite low pay increases to help preserve jobs. But it would be far more difficult for them to do so if there were a going national rate, which union leaders would expect to secure at the very least.

According to some CBI estimates, a 20 per cent. increase in "employment costs per head" over the next 12 months would be associated with a 17 per cent. rate of inflation. (This may be a little optimistic.) In terms of Mr. Jack Jones's cash sum, this would be £10 per head. To reduce inflation to the Chancellor's 12½ per cent, this sum would have to be cut to £6 or £7.

Of course, there is an element of bluff in Mr. Healey's approach. He is clearly holding up public spending cuts and other economic measures, which are planned in any case, to maximise their threat value while the talks with the TUC are taking place—union leaders are well aware of this. Even so, there is a difference between what Mr. Healey would be forced to do if the talks broke down and what he would do if they came to a so-called agreement.

Second, there is a strong case for arguing that a Social Contract Mark II would increase the degree of wage inflation—and therefore of unemployment—for any given state of the labour market. The Mark I contract almost certainly had this effect by causing union negotiators to believe that there was no need for a general cut in living standards and that there was room, in addition, for increases for the

"low paid," "catching-up cases," and numerous other special situations.

In the Mark II version, any general guidelines are certain to be regarded as the minimum. If there is no social contract, workers might quietly accept quite low pay increases to help preserve jobs. But it would be far more difficult for them to do so if there were a going national rate, which union leaders would expect to secure at the very least.

According to some CBI estimates, a 20 per cent. increase in "employment costs per head" over the next 12 months would be associated with a 17 per cent. rate of inflation. (This may be a little optimistic.) In terms of Mr. Jack Jones's cash sum, this would be £10 per head. To reduce inflation to the Chancellor's 12½ per cent, this sum would have to be cut to £6 or £7.

It would be much better to reject this poisoned chalice and rely on the natural forces of the recession to reduce the rate of inflation. The CBI already reports a falling trend in the number of companies expecting to increase domestic prices; and these market influences will be transmitted to wages, if only some cash control can be put on public sector spending to prevent public sector wages from running away. (The immediate requirement in the case of the railways is an indication of the cut in the number of railwaymen required to finance each 1 per cent. increase in the wage offer.)

The reduction in inflation to be expected along this route is but a temporary and cyclical one, without the drastic monetary ceilings I suggested at the beginning. But at least it would be better than the false sense of security and manifold economic lunacies which will accompany any perpetuation of the misbegotten social contract.

There is the further danger that, if prices rose by more than

Assumption

Let us make the improbable assumption that the TUC recommends a general cash sum no higher than this—with some form of words to allow the miners through. This would be a minimum; and there would be plenty of union activity to make sure employers paid it, even where the silent majority of workers might prefer to take less and to secure their jobs. On top of this there would be bound to be a good deal of slippage. There are innumerable problems in measuring the size of a wage award; and many employers would be prepared to stretch the rules, either for a quiet life or because they were short of workers, as some are even in a recession.

There is the further danger that, if prices rose by more than

Letters to the Editor

Breaking the spiral

From the General Secretary, General and Municipal Workers' Union.

Sir—I write to protest most strongly about the headline on page 13 of your Wednesday issue. This reads: "Pay freeze call by municipal workers." No such call has been made by this union and the text beneath this headline did not support it.

As a union, our stance on the social contract has always been quite clear. Indeed, our conference this year in June—as your paper reported—continued its support of that contract. The brief report beneath the headline to which I refer, was of a discussion at our general council which reflected the decisions of congress.

As a union we are concerned that it should be clearly recognised that the social contract is not about wages alone, and that the TUC, in its discussions with Government on its development should have clear ideas on the economic and social policies which it wishes the Government to pursue.

Three aspects of this policy are important. First, creation of a planning framework so that the British industry may be better prepared to take advantage of the world upturn in trade when it comes. Second, spiralling increases in prices must be stopped and the rate of inflation in this country reduced. It is in respect of this that we are concerned the spiral could be broken by a three months' price freeze from September. Last, we are concerned to protect and create jobs.

Obviously, there are connections between such proposals and the trade union response. In respect of wages, we support the idea of a flat rate increase which would give the most protection to those in need—the lower paid. It would protect the average worker and providing it applied to all, including those on high salaries, do away with the inequity of those best able to tolerate a dollar situation receiving the highest increases.

David Bassett,
Thorne House,
Claygate,
Esher, Surrey.

Tourists and policy

From the chairman, EMI Hotels and Restaurants.

Sir—Arthur Sandles' article, "A bedtime story about British hotels" (June 14), drew attention to the fact that in dollar terms American visitors to London during the past year have seen the price of a double room at a first-class hotel rise by 21.7 per cent.

It would be interesting to know how much in sterling terms British visitors to New York during the past year have seen the price of a similar room rise. Furthermore, it would be of interest to ascertain the percentage increase which has occurred in the price of a double room at a first-class hotel in New York in dollar terms.

Mr. Sandles poses the question of when will the tourist boom return. I hope that it never will return as what the tourist industry of this country really requires is a steady and continuous expansion of its business not cyclical trading

dependent upon boom conditions.

The number of foreign visitors to reach our shores equates directly with the amount spent in promoting and advertising our tourist facilities overseas. There are hundreds of thousands of well-heeled people throughout the world who have never for an instance contemplated visiting Britain because the seat of the idea has never been sown in their minds.

The tourist industry should not be waiting for the next boom but should be busy drawing up a national tourist policy which recognises the importance of potential tourism in Britain and provides effective machinery to co-ordinate the efforts of the private and public bodies essential to its successful implementation.

Commentators should be arguing the case for a vigorous U.K. tourist expansion policy and while such a policy is needed to manage tourism in order to sustain and improve the quality of life of the community. In any event they should not be referring to our overseas visitors as foreign invaders.

The considerable efforts of the British Tourist Authority to attract overseas visitors to Great Britain must not only continue to be supported by all concerned but ways and means to provide them with additional funds must be found.

M. A. Bosman,
Victoria House,
Leicester Square, W.C.2.

Aerospace attitudes

From Sir Richard Smeeton.

Sir—I am surprised that Mr. James Ensor (June 10) should fall into the trap of saying that British Aerospace and British Shipbuilders (both being formed this year out of private companies) produce less output per man employed than any of their European rivals. This must have saddened the hearts of the Left wing and also our European competitors.

The Aerospace and Shipbuilding Nationalisation Bill has not yet been read a second time. The figures in "The Output League" are suspect without a great deal of qualification to ensure that like is being compared with like.

You will be aware that this industry is entirely opposed to nationalisation; that we consider the proposed terms of compensation unfair; and that the powers arrogated by the Secretary of State in the proposed Bill are the antithesis of industrial democracy.

Richard Smeeton,
Director,
The Society of British Aerospace Companies,
29, King Street,
St. James's, S.W.1.

Providing a service

From The Director Small Business Unit, Grant College of Technology.

Sir—I was most interested to read James Ensor's analysis of the performance of Britain's State Industries (June 10), but even more intrigued to read the letters in response, particularly Mr. D. E. Rooke's spirited defence of British Gas (June 13). It was enlightening that Mr. Rooke used statistics which would raise grave doubts about the efficiency of British Gas rather than convince us that we were getting good value for money. Perhaps he has not heard of Pareto who

proved that 80 per cent. of a business's income derived from 20 per cent. of its orders. Most efficient profitable enterprises have used this to cut out unprofitable operations, thus ensuring that the temperate service of efficient service at an economic price.

Mr. Rooke argued that "of our 102,000 employees only between 2,000 and 2,500 are engaged in... transmission operations" and "service is possible by the way so many are prepared to start their own businesses. The Department of Trade's Small Firm Information Centres are currently dealing with an average of 222 inquiries per week from people who think they could do better on their own in spite of heavy taxation etc. A small percentage of these are wisely taking advantage of sizeable EEC funds to obtain financial assistance in the transitional period while learning up the rather different skills of small business management to complement their technical ability, thus helping to ensure their success."

Would it not be more constructive if Government, nationalised industries and unions took a more positive attitude to the problem and encouraged the hiring off of fringe operations with the employees concerned being given the chance to undertake the work more efficiently as independent businesses.

Usually such specialised businesses quickly find other customers for their skills at home and abroad so that they are soon producing more and employing more people but providing a cheaper service to the benefit of all.

Mr. Cromey-Hawke, Altham Avenue, Newport, Gwent.

Abolish the small coin

From Mr. C. Nottage.

Sir—I wonder if your readers have the same dubious opinion of the diminutive and elusive half-penny coin as I have.

I have recently found two of these nuisances and Saturday last I lost one during a shopping expedition. Doubtless it quietly slipped between 3 or 4 shillings (10 pence pieces to the young folk) and was not seen. This leads me, however, to suggest its complete withdrawal and abolition, and replacement by a few pence piece, a size just a little larger than its 2 pence companion.

The only difficulty that could arise, would be when one 3p or 1p was needed for "change," this would necessitate a further transaction of the retailer handing the customer a 2p coin and receiving a 2p or 1p coin in exchange. This should be very infrequent and should only occur when the purchase is 8p or 9p.

With the new coin 2p well

in circulation, the 5p (old and new) could also be withdrawn and replaced by a more useful new coin value 25 pence. The new range being 50p, 25p and 10p with the lower 21p, 2p and 1p pieces.

Today it takes 5 coins to pay an account of 45 pence, this would then require only 3. I am sure the alteration would be of considerable advantage, and the minute 1 penny piece, only being included in its bigger brother, would regain its importance.

C. W. Nottage,
14, Esplanade,
St. Helier,
Jersey, C.I.

Facts and figures

From Mr. A. Newman.

Sir—Mr. Sid Weighell's letter to you (June 17) uses the actual increase figures to his own advantage. Had he added (a) the percentage increase on existing pay, and (b) the date of the last increase awarded in respect of each group quoted, the picture would have been very different.

It is so often different sets of facts, figures and comparisons published at varying times which brings both politicians and trade unions into dispute, and has now led to the apathy of the general public toward the current economic situation.

A. E. Newman,
The Chestnuts,
32, Court Road, Eitham, S.E.8.

Pension fund investment

From Mr. J. Tysoe.

Sir—To-day's pension contributions, together with other forms of saving, finance the investment which ensures to the pensioner protection. If the director general of the Royal Institute of Public Administration, June 12, is advocating the consumption of this "seed corn" then both he and the Post Office pensioners will soon go hungry.

His particular brand of protection for customers and taxpayers may improve to-day's helpings but it will leave empty plates for tomorrow. If, on the other hand, he intends that investment levels should be maintained, perhaps he will let the taxpayer know which of the current taxes will be raised or what form of enforced saving will be introduced to provide the necessary finance to replace that at present provided by contributions to pension funds.

J. S. Tysoe,
Tall Trees,
Hollybush Ride,
Finchampstead,
Wokingham, Berks.

Balance of payments

From the Managing Director Harry Mitchell and Partners.

Sir—While I am very pleased that for the first time for three years, the U.K. had a substantial surplus in May on its balance of payments on current account, we must not congratulate ourselves too soon.

This is because the U.K. benefited from a 31 per cent. rise in the terms of trade, which resulted in a faster rise in export prices than import prices.

The main reason, however, is that as a slump begins to bite,

there is a reduction in imports and also maximum efforts to export in order to minimise cash flow difficulties. Thus reference to previous slumps will show improvements at the beginning. It is when restocking of raw materials takes place when imports will rise, and with high inflation when exports will not be competitive that the balance of payments will show their greatest deficit. It is probable that the balance of payments will continue to improve this year, but this will not bring much happiness to the unemployed in excess of 1m. by the end of the year.

I have stressed this point regarding the very good May figures of the balance of payments, because if inflation is not contained quickly, in 1976 we shall not only have more than 1m. unemployed, but in addition we shall have a colossal adverse balance of payments.

H. Mitchell,
Harry Mitchell and Partners,
Midland Bank Chambers,
The Square, 3, High Road,
Bexon, North.

Avoiding capital transfer tax

From The Chairman, Elliot Right Way Books.

Sir—All the financial papers I read are urging people to take advantage of the £1,000 per annum, per person exemption from capital transfer tax by giving their money to their children during their lifetime. One of the problems I have never seen dealt with is the danger of giving large sums of money to young people under 30. If they don't lose the money or their lives through fast cars, they tend to dissipate it through slow horses, or in some equally foolish way. My own belief is that, around 30, it does not make a lot of difference, but that, around 20, the danger is great.

Andrew G. Elliot,
Kingwood Buildings,
Lower Kingwood,
Tadworth, Surrey.

Possessions of value

From Mr. J. Talbot.

Sir—Mr. Onwood (June 10) argues that a right to a pension should be treated as a constituent of wealth, stating one of the dictionary definitions of wealth as "valuable possession of any kind."

It is widely accepted nowadays that a pension is that part of total remuneration which is deferred until retirement. Is a job to be regarded as a "valuable possession?" If so, is Mr. Onwood prepared to treat as part of his "wealth" the capitalised value of his current salary or wages as well as his right to a future pension?

If upon retirement the individual elects to receive part of his pension rights in the shape of a lump sum, that sum (or its invested product) will obviously form part of his "wealth," but his pension will represent income and will be taxed as such.

Is it seriously suggested that the earner or pensioner should be taxed on a more rigorous basis than that?

J. E. Talbot,
Willow Corner, Enton Green,
Godalming, Surrey.

GENERAL

Provisional unemployment figures for June published.

Mr. Anthony Wedgwood Benn, Energy Secretary, meets TUC leaders for discussions on energy policy.

Mr. Eric Varley, Industry Secretary, has talks with Norton Villiers Triumph management and unions on future of motorcycle industry.

Mr. Francois Mitterrand, French Socialist leader and Mr. Georges Marchais, Communist Party leader, meet to discuss differences between France's left-wing opposition parties, Paris.

South East Asia Shipping two-day conference, organised by the Financial Times, begins, Shangri-la Hotel, Singapore.

British Shippers' Council annual meeting and lunch, Washington Hotel, London.

Rail union leaders resume talks with British Rail in effort to avert strike.

PARLIAMENTARY BUSINESS
House of Commons: Criminal Justice Bill, and Safety of Sports Grounds Bill, second readings.

House of Lords: Scottish Development Agency (No. 2) Bill, and Welsh Development Agency (No. 2) Bill, report stages.

OFFICIAL STATISTICS
Car and commercial vehicle production (May-final).

COMPANY RESULTS
British and Commonwealth Shipping (full year).

Lyons (J.) (full year).

Powell Duffryn (full year).

Berford (S. and W.) (half year).

English China Clays (half year).

Tate and Lyle (half year).

COMPANY MEETINGS
See page 24.

To-day's Events

House of Commons: Criminal Justice Bill, and Safety of Sports Grounds Bill, second readings.

House of Lords: Scottish Development Agency (No. 2) Bill, and Welsh Development Agency (No. 2) Bill, report stages.

OFFICIAL STATISTICS
Car and commercial vehicle production (May-final).

COMPANY RESULTS
British and Commonwealth Shipping (full year).

Lyons (J.) (full year).

Powell Duffryn (full year).

Berford (S. and W.) (half year).

English China Clays (half year).

Tate and Lyle (half year).

COMPANY MEETINGS
See page 24.

Owing to foreseen circumstances now is the time to move office.

At the moment, The Location of Offices Bureau has on its register nearly 19 million square feet of office space outside Central London, either vacant now or under construction.

This figure is likely to drop very rapidly, for two reasons.

One, prices are currently as low as £2 a square foot.

Two, the supply of new buildings is drying up.

The outcome is bound to be a rise in rents and a fall in choice.

So, whether you want to talk about moving all or only part of your office work away from London, you'd better get a move on.

Contact LOB on 01-405 2921.

LOB's service is free.

LOB

The Location of Offices Bureau, 27 Chancery Lane, London WC2A 1NS. Tel: 405 2921.

Cavenham slips to £27m. Guinness ahead at midway Whitbread down to £21.5m.: pays more after higher interest

SALES for the year to March 29, 1975 of Cavenham, increased from £17.1m. to £17.9m., but after a lower contribution from associates of £0.7m. against £2.1m. and interest payable up from £3.6m. to £12m., taxable profits are lower at £2.7m. compared with £3.5m. after £1.5m. (£1.7m.) for 22 weeks.

Earnings per 25p share are shown to be down from 18.5p to 15.8p or from 17.5p to 14.8p relating to diluted capital. The final dividend is 15.625 per cent. gross, lifting the total from 21 per cent. to the maximum permitted 23.625 per cent.

Trading profit of £38.3m. was earned as to U.K. 35 per cent. North America 30 per cent. EEC 21 per cent. elsewhere in Europe 13 per cent. and others 1 per cent.

At the year end the company carried out a detailed review of provision for deferred tax which has accumulated in the books. It is estimated that approximately £15m. of the provision will not be payable in the foreseeable future. This figure has therefore been released and goodwill has been reduced by a similar amount.

The increase in interest payable is largely due to the consolidation for the full year of the Grand Union Company in the U.S. and Generale Alimentaire Group in France, Belgium and Spain.

Control of working capital was one of the top priorities during the year. None the less excluding the effect of consolidating the Sander International Group for the first time the figure

represented by stocks, plus debtors, less creditors increased by some £10m.

Furthermore the group invested £28m. in new capital equipment. Against this depreciation (which is calculated on the basis of historic cost and not on replacement values) amounted to £18m. Thus the net cash flow needed to finance new capital investment was £10m. and the requirement for new capital for trading was some £20m.

The group began the year with large liquid resources and has maintained these to a substantial degree. At the year-end bank balances and cash £29m. leaving net liquid resources at approximately £28m.

The company intends to continue financing recourse with short-term bank borrowings and will review regularly and carefully all group activities so as to ensure that capital is invested in the main stream of the company's business and that worthwhile new projects are supplied with adequate resources.

The underlying figures for the U.K. and France show a far deeper decline principally due to Government price controls and to the general economic environment, say the directors.

At present forecasts are unreliable, they say, but the broad geographical spread of the company's business gives them some measure of stability and budgets for the current year anticipate a significant increase in profits.

The principal activities of the group are the manufacture and distribution of a range of products in food, drink, tobacco, and other trades.

1974-75 1973-74
Sales 1,552.3 1,571.1
Trading profit 25.3 27.4
Interest payable 12.0 12.0
Profit before tax 13.3 15.4
Taxation 1.5 1.5
Profit 11.8 13.9
Dividends 11.8 13.9
Reserves 11.8 13.9

1974-75 1973-74
Sales 1,552.3 1,571.1
Trading profit 25.3 27.4
Interest payable 12.0 12.0
Profit before tax 13.3 15.4
Taxation 1.5 1.5
Profit 11.8 13.9
Dividends 11.8 13.9
Reserves 11.8 13.9

1974-75 1973-74
Sales 1,552.3 1,571.1
Trading profit 25.3 27.4
Interest payable 12.0 12.0
Profit before tax 13.3 15.4
Taxation 1.5 1.5
Profit 11.8 13.9
Dividends 11.8 13.9
Reserves 11.8 13.9

1974-75 1973-74
Sales 1,552.3 1,571.1
Trading profit 25.3 27.4
Interest payable 12.0 12.0
Profit before tax 13.3 15.4
Taxation 1.5 1.5
Profit 11.8 13.9
Dividends 11.8 13.9
Reserves 11.8 13.9

1974-75 1973-74
Sales 1,552.3 1,571.1
Trading profit 25.3 27.4
Interest payable 12.0 12.0
Profit before tax 13.3 15.4
Taxation 1.5 1.5
Profit 11.8 13.9
Dividends 11.8 13.9
Reserves 11.8 13.9

1974-75 1973-74
Sales 1,552.3 1,571.1
Trading profit 25.3 27.4
Interest payable 12.0 12.0
Profit before tax 13.3 15.4
Taxation 1.5 1.5
Profit 11.8 13.9
Dividends 11.8 13.9
Reserves 11.8 13.9

1974-75 1973-74
Sales 1,552.3 1,571.1
Trading profit 25.3 27.4
Interest payable 12.0 12.0
Profit before tax 13.3 15.4
Taxation 1.5 1.5
Profit 11.8 13.9
Dividends 11.8 13.9
Reserves 11.8 13.9

1974-75 1973-74
Sales 1,552.3 1,571.1
Trading profit 25.3 27.4
Interest payable 12.0 12.0
Profit before tax 13.3 15.4
Taxation 1.5 1.5
Profit 11.8 13.9
Dividends 11.8 13.9
Reserves 11.8 13.9

1974-75 1973-74
Sales 1,552.3 1,571.1
Trading profit 25.3 27.4
Interest payable 12.0 12.0
Profit before tax 13.3 15.4
Taxation 1.5 1.5
Profit 11.8 13.9
Dividends 11.8 13.9
Reserves 11.8 13.9

1974-75 1973-74
Sales 1,552.3 1,571.1
Trading profit 25.3 27.4
Interest payable 12.0 12.0
Profit before tax 13.3 15.4
Taxation 1.5 1.5
Profit 11.8 13.9
Dividends 11.8 13.9
Reserves 11.8 13.9

1974-75 1973-74
Sales 1,552.3 1,571.1
Trading profit 25.3 27.4
Interest payable 12.0 12.0
Profit before tax 13.3 15.4
Taxation 1.5 1.5
Profit 11.8 13.9
Dividends 11.8 13.9
Reserves 11.8 13.9

REPORTING AN improvement at the half-way stage, the Earl of Iveagh, chairman of Arthur Guinness Son and Company, tells members he sees no reason to alter his opinion that current year profits should come close to the 1973-74 figure of £22.6m. and he believes there is now a good chance of improving on that figure.

In the 24 weeks ended March 15 group pre-tax profits showed an increase from £10.1m. to £11m. and earnings per 25p share are stated to be up from 5.8p to 6.3p.

The chairman says that these results follow the pattern he predicted at the annual meeting in February. As the full effect of higher duties imposed in the U.K. Budget has yet to be felt, and as the general economic climate continues to give cause for concern and uncertainty, he did not propose to give a detailed forecast of current year results.

The interim dividend is raised from 1.8025p to 1.9675p net—an increase of 12 1/2 per cent. from 2.004p to 2.026p at the gross level. The net total for 1973-74 was 5.3386p.

At halfway, with pre-tax profit at £11m., the chairman, Mr. Leslie Carrier, forecast "at least the same level" in the second half.

He says now that while it appears unlikely that the results of the current year will equal the 1973-74 figure, he is confident that, assuming no major change in the economy, they will be "well above our previous best year."

Mr. Carrier reports that while the order books of the heavy engineering companies and the foundries are virtually sufficient to ensure a full year's activity the present low level of demand will prevent the steel division from making its target of 10 per cent. year and one or two of the lighter engineering companies will also be adversely affected by the current recession.

Current earnings per 25p share are up from 5.8p to 6.3p and the dividend total is raised from 2.004p to 2.026p net, the maximum permitted, with a final of 2.175p.

1974-75 1973-74
Sales 1,552.3 1,571.1
Trading profit 25.3 27.4
Interest payable 12.0 12.0
Profit before tax 13.3 15.4
Taxation 1.5 1.5
Profit 11.8 13.9
Dividends 11.8 13.9
Reserves 11.8 13.9

1974-75 1973-74
Sales 1,552.3 1,571.1
Trading profit 25.3 27.4
Interest payable 12.0 12.0
Profit before tax 13.3 15.4
Taxation 1.5 1.5
Profit 11.8 13.9
Dividends 11.8 13.9
Reserves 11.8 13.9

1974-75 1973-74
Sales 1,552.3 1,571.1
Trading profit 25.3 27.4
Interest payable 12.0 12.0
Profit before tax 13.3 15.4
Taxation 1.5 1.5
Profit 11.8 13.9
Dividends 11.8 13.9
Reserves 11.8 13.9

1974-75 1973-74
Sales 1,552.3 1,571.1
Trading profit 25.3 27.4
Interest payable 12.0 12.0
Profit before tax 13.3 15.4
Taxation 1.5 1.5
Profit 11.8 13.9
Dividends 11.8 13.9
Reserves 11.8 13.9

1974-75 1973-74
Sales 1,552.3 1,571.1
Trading profit 25.3 27.4
Interest payable 12.0 12.0
Profit before tax 13.3 15.4
Taxation 1.5 1.5
Profit 11.8 13.9
Dividends 11.8 13.9
Reserves 11.8 13.9

1974-75 1973-74
Sales 1,552.3 1,571.1
Trading profit 25.3 27.4
Interest payable 12.0 12.0
Profit before tax 13.3 15.4
Taxation 1.5 1.5
Profit 11.8 13.9
Dividends 11.8 13.9
Reserves 11.8 13.9

1974-75 1973-74
Sales 1,552.3 1,571.1
Trading profit 25.3 27.4
Interest payable 12.0 12.0
Profit before tax 13.3 15.4
Taxation 1.5 1.5
Profit 11.8 13.9
Dividends 11.8 13.9
Reserves 11.8 13.9

1974-75 1973-74
Sales 1,552.3 1,571.1
Trading profit 25.3 27.4
Interest payable 12.0 12.0
Profit before tax 13.3 15.4
Taxation 1.5 1.5
Profit 11.8 13.9
Dividends 11.8 13.9
Reserves 11.8 13.9

1974-75 1973-74
Sales 1,552.3 1,571.1
Trading profit 25.3 27.4
Interest payable 12.0 12.0
Profit before tax 13.3 15.4
Taxation 1.5 1.5
Profit 11.8 13.9
Dividends 11.8 13.9
Reserves 11.8 13.9

1974-75 1973-74
Sales 1,552.3 1,571.1
Trading profit 25.3 27.4
Interest payable 12.0 12.0
Profit before tax 13.3 15.4
Taxation 1.5 1.5
Profit 11.8 13.9
Dividends 11.8 13.9
Reserves 11.8 13.9

for 1974 was £6.07m. (£5.68m.). The company is a subsidiary of Harrison and Crossfield.

Liquidity has been aided by the provisions of the last two Budgets relating to increases in the value of stocks, which result in the deferral of payment of £3,844,025 of the sums provided for U.K. tax in the 1973 and 1974 accounts.

Chairman's statement Page 4

ON A TURNOVER up from £12.3m. to £13.0m., pre-tax profit of sawmillers, etc., Brownlee and Co. contracted from £1.5m. to £0.8m. in the year to March 29, 1975, after £0.2m. against £0.7m. for the first half.

Earnings per 25p share for the year decreased from 9p to 5.6p. The dividend is raised from 1.539p to 1.5785p net.

1974-75 1973-74
Sales 12.3 13.0
Trading profit 1.5 0.8
Interest payable 1.5 1.5
Profit before tax 0.0 0.0
Taxation 0.0 0.0
Profit 0.0 0.0
Dividends 0.0 0.0
Reserves 0.0 0.0

1974-75 1973-74
Sales 12.3 13.0
Trading profit 1.5 0.8
Interest payable 1.5 1.5
Profit before tax 0.0 0.0
Taxation 0.0 0.0
Profit 0.0 0.0
Dividends 0.0 0.0
Reserves 0.0 0.0

1974-75 1973-74
Sales 12.3 13.0
Trading profit 1.5 0.8
Interest payable 1.5 1.5
Profit before tax 0.0 0.0
Taxation 0.0 0.0
Profit 0.0 0.0
Dividends 0.0 0.0
Reserves 0.0 0.0

1974-75 1973-74
Sales 12.3 13.0
Trading profit 1.5 0.8
Interest payable 1.5 1.5
Profit before tax 0.0 0.0
Taxation 0.0 0.0
Profit 0.0 0.0
Dividends 0.0 0.0
Reserves 0.0 0.0

1974-75 1973-74
Sales 12.3 13.0
Trading profit 1.5 0.8
Interest payable 1.5 1.5
Profit before tax 0.0 0.0
Taxation 0.0 0.0
Profit 0.0 0.0
Dividends 0.0 0.0
Reserves 0.0 0.0

1974-75 1973-74
Sales 12.3 13.0
Trading profit 1.5 0.8
Interest payable 1.5 1.5
Profit before tax 0.0 0.0
Taxation 0.0 0.0
Profit 0.0 0.0
Dividends 0.0 0.0
Reserves 0.0 0.0

1974-75 1973-74
Sales 12.3 13.0
Trading profit 1.5 0.8
Interest payable 1.5 1.5
Profit before tax 0.0 0.0
Taxation 0.0 0.0
Profit 0.0 0.0
Dividends 0.0 0.0
Reserves 0.0 0.0

1974-75 1973-74
Sales 12.3 13.0
Trading profit 1.5 0.8
Interest payable 1.5 1.5
Profit before tax 0.0 0.0
Taxation 0.0 0.0
Profit 0.0 0.0
Dividends 0.0 0.0
Reserves 0.0 0.0

1974-75 1973-74
Sales 12.3 13.0
Trading profit 1.5 0.8
Interest payable 1.5 1.5
Profit before tax 0.0 0.0
Taxation 0.0 0.0
Profit 0.0 0.0
Dividends 0.0 0.0
Reserves 0.0 0.0

1974-75 1973-74
Sales 12.3 13.0
Trading profit 1.5 0.8
Interest payable 1.5 1.5
Profit before tax 0.0 0.0
Taxation 0.0 0.0
Profit 0.0 0.0
Dividends 0.0 0.0
Reserves 0.0 0.0

1974-75 1973-74
Sales 12.3 13.0
Trading profit 1.5 0.8
Interest payable 1.5 1.5
Profit before tax 0.0 0.0
Taxation 0.0 0.0
Profit 0.0 0.0
Dividends 0.0 0.0
Reserves 0.0 0.0

1974-75 1973-74
Sales 12.3 13.0
Trading profit 1.5 0.8
Interest payable 1.5 1.5
Profit before tax 0.0 0.0
Taxation 0.0 0.0
Profit 0.0 0.0
Dividends 0.0 0.0
Reserves 0.0 0.0

1974-75 1973-74
Sales 12.3 13.0
Trading profit 1.5 0.8
Interest payable 1.5 1.5
Profit before tax 0.0 0.0
Taxation 0.0 0.0
Profit 0.0 0.0
Dividends 0.0 0.0
Reserves 0.0 0.0

REFLECTING SHARPLY decreased investment income and increased interest charges, group pre-tax profit of Whitbread & Co. contracted from £21.7m. for 53 weeks to £21.4m. in the year to March 1, 1975. Turnover expanded from £23.11m. to £23.87m.

When reporting first half profit down from £12.8m. to £12.5m. the directors said if the present trading level continued, a large part of the decrease should be recovered.

Earnings per 25p share for the year decreased from 4.5p to 4.1p. Including extraordinary items of £1.5m. (£1.1m.) earnings were up from 3.17p to 3.54p. The dividend is raised from 2.7866p to 2.9385p net with a final of 2.0835p.

A revaluation of properties has thrown up a surplus of £11m., which has been transferred to reserve.

As to the future the directors state any forecast in such difficult times must be subject to the view that steps will be taken to reduce the rate of inflation before it is too late. Present forecast however, indicates that profits before tax this year will be higher than that for the previous year. A promising start has been made and the unaudited management figures for the first two months show an improvement over that forecast.

In the current year, it has been necessary to cut the capital investment programme substantially in the light of the uncertain economic climate.

1974-75 1973-74
Sales 23.1 23.9
Trading profit 21.7 21.4
Interest payable 21.7 21.4
Profit before tax 0.0 0.0
Taxation 0.0 0.0
Profit 0.0 0.0
Dividends 0.0 0.0
Reserves 0.0 0.0

1974-75 1973-74
Sales 23.1 23.9
Trading profit 21.7 21.4
Interest payable 21.7 21.4
Profit before tax 0.0 0.0
Taxation 0.0 0.0
Profit 0.0 0.0
Dividends 0.0 0.0
Reserves 0.0 0.0

1974-75 1973-74
Sales 23.1 23.9
Trading profit 21.7 21.4
Interest payable 21.7 21.4
Profit before tax 0.0 0.0
Taxation 0.0 0.0
Profit 0.0 0.0
Dividends 0.0 0.0
Reserves 0.0 0.0

1974-75 1973-74
Sales 23.1 23.9
Trading profit 21.7 21.4
Interest payable 21.7 21.4
Profit before tax 0.0 0.0
Taxation 0.0 0.0
Profit 0.0 0.0
Dividends 0.0 0.0
Reserves 0.0 0.0

1974-75 1973-74
Sales 23.1 23.9
Trading profit 21.7 21.4
Interest payable 21.7 21.4
Profit before tax 0.0 0.0
Taxation 0.0 0.0
Profit 0.0 0.0
Dividends 0.0 0.0
Reserves 0.0 0.0

1974-75 1973-74
Sales 23.1 23.9
Trading profit 21.7 21.4
Interest payable 21.7 21.4
Profit before tax 0.0 0.0
Taxation 0.0 0.0
Profit 0.0 0.0
Dividends 0.0 0.0
Reserves 0.0 0.0

1974-75 1973-74
Sales 23.1 23.9
Trading profit 21.7 21.4
Interest payable 21.7 21.4
Profit before tax 0.0 0.0
Taxation 0.0 0.0
Profit 0.0 0.0
Dividends 0.0 0.0
Reserves 0.0 0.0

1974-75 1973-74
Sales 23.1 23.9
Trading profit 21.7 21.4
Interest payable 21.7 21.4
Profit before tax 0.0 0.0
Taxation 0.0 0.0
Profit 0.0 0.0
Dividends 0.0 0.0
Reserves 0.0 0.0

1974-75 1973-74
Sales 23.1 23.9
Trading profit 21.7 21.4
Interest payable 21.7 21.4
Profit before tax 0.0 0.0
Taxation 0.0 0.0
Profit 0.0 0.0
Dividends 0.0 0.0
Reserves 0.0 0.0

1974-75 1973-74
Sales 23.1 23.9
Trading profit 21.7 21.4
Interest payable 21.7 21.4
Profit before tax 0.0 0.0
Taxation 0.0 0.0
Profit 0.0 0.0
Dividends 0.0 0.0
Reserves 0.0 0.0

1974-75 1973-74
Sales 23.1 23.9
Trading profit 21.7 21.4
Interest payable 21.7 21.4
Profit before tax 0.0 0.0
Taxation 0.0 0.0
Profit 0.0 0.0
Dividends 0.0 0.0
Reserves 0.0 0.0

1974-75 1973-74
Sales 23.1 23.9
Trading profit 21.7 21.4
Interest payable 21.7 21.4
Profit before tax 0.0 0.0
Taxation 0.0 0.0
Profit 0.0 0.0
Dividends 0.0 0.0
Reserves 0.0 0.0

and unofficial industrial action in some places. However, in the second half-year, the rate of decrease was reduced to approximately 6 per cent., the directors stated.

Turnover increased by 19 per cent., or 21 per cent. on a comparable 52 week basis. Beer sales were significantly higher than in 1973/74, and Whitbread gained its market share accordingly, especially in the free trade.

Draught beer led the way. Packaged beer figures were distorted by shortages of containers but Gold Label and Brewmaster continued their upward trend, with Trevelyan and Whitbread Pale Ale giving solid support.

Canned sales were still buoyant; wines and spirits sales continued to make progress, although the steep upward trend of recent years tended to level off.

See Lex

Marginal rise at Pickles

GROUP TURNOVER of textile manufacturers, William Pickles and Co. improved from £16.1m. to £18.5m. in 1974, and pre-tax profit increased from £1.1m. to £1.5m. (£1.2m.) after being £1.4m. against £1.0m. for the first half.

Higher tax for the year of £440,101 (£303,822) leaves stated earnings per 10p share down from 1.7p to 1.6p.

The dividend is effectively raised from 0.5636p to the maximum permitted 0.5944p net with a final of 0.3344p.

1974-75 1973-74
Sales 16.1 18.5
Trading profit 1.1 1.5
Interest payable 1.1 1.1
Profit before tax 0.0 0.0
Taxation 0.0 0.0
Profit 0.0 0.0
Dividends 0.0 0.0
Reserves 0.0 0.0

1974-75 1973-74
Sales 16.1 18.5
Trading profit 1.1 1.5
Interest payable 1.1 1.1
Profit before tax 0.0 0.0
Taxation 0.0 0.0
Profit 0.0 0.0
Dividends 0.0 0.0
Reserves 0.0 0.0

1974-75 1973-74
Sales 16.1 18.5
Trading profit 1.1 1.5
Interest payable 1.1 1.1
Profit before tax 0.0 0.0
Taxation 0.0 0.0
Profit 0.0 0.0
Dividends 0.0 0.0
Reserves 0.0 0.0

1974-75 1973-74
Sales 16.1 18.5
Trading profit 1.1 1.5
Interest payable 1.1 1.1
Profit before tax 0.0 0.0
Taxation 0.0 0.0
Profit 0.0 0.0
Dividends 0.0 0.0
Reserves 0.0 0.0

1974-75 1973-74
Sales 16.1 18.5
Trading profit 1.1 1.5
Interest payable 1.1 1.1
Profit before tax 0.0 0.0
Taxation 0.0 0.0
Profit 0.0 0.0
Dividends 0.0 0.0
Reserves 0.0 0.0

1974-75 1973-74
Sales 16.1 18.5
Trading profit 1.1 1.5
Interest payable 1.1 1.1
Profit before tax 0.0 0.0
Taxation 0.0 0.0
Profit 0.0 0.0
Dividends 0.0 0.0
Reserves 0.0 0.0

1974-75 1973-74
Sales 16.1 18.5
Trading profit 1.1 1.5
Interest payable 1.1 1.1
Profit before tax 0.0 0.0
Taxation 0.0 0.0
Profit 0.0 0.0
Dividends 0.0 0.0
Reserves 0.0 0.0

1974-75 1973-74
Sales 16.1 18.5
Trading profit 1.1 1.5
Interest payable 1.1 1.1
Profit before tax 0.0 0.0
Taxation 0.0 0.0
Profit 0.0 0.0
Dividends 0.0 0.0
Reserves 0.0 0.0

1974-75 1973-74
Sales 16.1 18.5
Trading profit 1.1 1.5
Interest payable 1.1 1.1
Profit before tax 0.0 0.0
Taxation 0.0 0.0
Profit 0.0 0.0
Dividends 0.0 0.0
Reserves 0.0 0.0

FINANCIAL TIMES REPORT

Thursday June 19 1975

THE NORTH EAST

It would be a mistake to believe that the North East is now on the road to a complete recovery but answers have been found to many of its once seemingly incurable problems. However, the area is still vulnerable to any further slowdown in the national economy.

Decline halted, morale boosted

THERE HAVE been times when the North East seemed one of the most incurable problems in Britain's socio-economic structure. The tale of woe that came out of this troubled corner of England was spelt out by unemployment statistics consistently double the percentages in other parts of the country. The region's miners, steelmen and shipbuilders were losing in the eyes of the rest of the country jobs at an alarming rate and in numbers that new industry could never absorb. The related social problems were compounded by bad housing, serious environmental problems, and a general feeling of depression that affected the morale of all.

It would be a mistake to claim that all that is over, that there has been a magnificent transformation, just as it would have been a mistake during those decades to paint only the black picture. Even if it does represent a recovery, the unemployment figure is still 50 per cent. higher than the national average, and the North East still has its black spots.

However, a whole series of factors that contributed to the region's demise have started to come right. In coal mining, for instance, where 100,000 jobs have been lost in just 15 years, there is quite a new atmosphere. Not only has the decline halted in the region as a whole but mining recruitment has shown a dramatic increase. Heavy capital investment programmes are underway, particularly in the rich coastal mines, the technology of mining has moved ahead rapidly and morale is running high.

Coal mining is still the North East's biggest business, with 37,000 miners, and morale has undoubtedly been helped by coal's restoration to its place as the chief source of Britain's energy and a wage scale that has made the miners top earners.

In steel, too, the rundown in numbers employed has been offset by the choice of the North East as the site for BSC's major new development in its long term strategy for a new structure and although jobs are still to be lost, the new Redcar complex will treat others.

The shipbuilders are also reinvesting in their industry, they have long order books and are sufficiently diverse to ride out the fluctuations in world shipping demand. Of the other huge employers, the region's petrochemical activities, mainly

centred on Teesside, continue to receive heavy capital investment.

A few years ago, it was a fairly universal view in the North East that the advent of North Sea oil development and the amount of heavy engineering, ship repairing, and service work that would spin off from it would be the great answer to the region's problems. That has not proved to be the case, at least not yet, and looking back there are those in the region who now see that view was a microcosm of the general British attitude to North Sea oil: "We'll be all right when we've got that behind us."

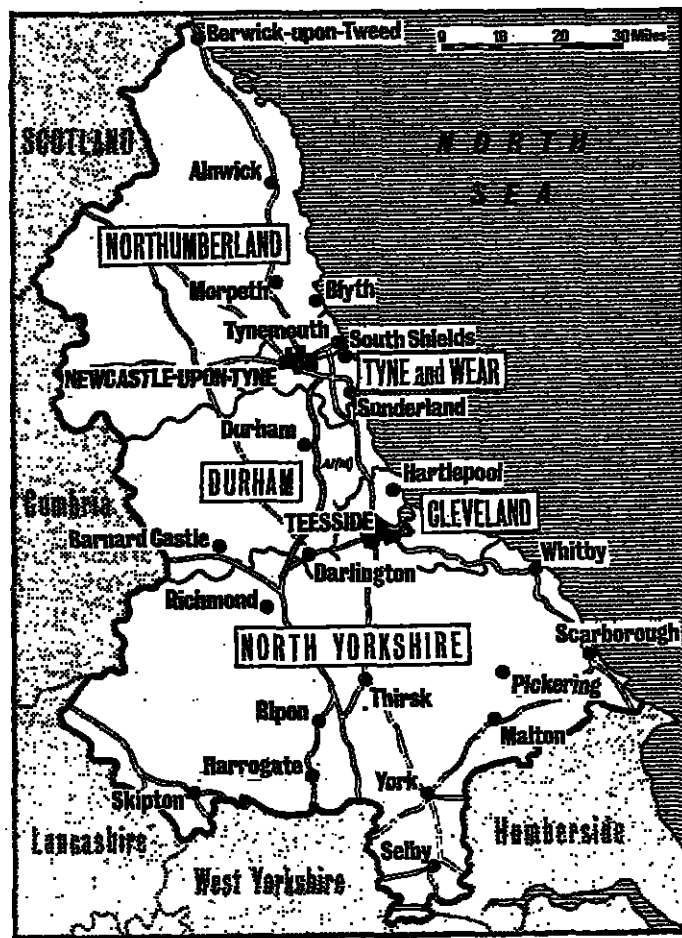
That is not to belittle the impact of North Sea oil on this part of the world, neither does it devalue the importance of an industry that has helped to diversify the industrial base. However, the main reason why and the main reason why the region's morale was depressed and in numbers that new industry could never absorb. The choice of regions for Special Development Areas or Development Areas has much to do with unemployment figures. On this basis, North Sea oil-related industry cannot be said to have eaten into the unemployment figures very much, though it has certainly helped. As things have turned out, Scotland has taken much of the North Sea cake, though the North East does have its eye on its own offshore reserves of coal, and is aware of the need to build a technological base.

Changes

It has been recognised for a long time that the North East's morale problem would have to be cured along with its economic and unemployment problem. For Charles Herzberg, the Department of Industry's Regional Industrial Director for the Northern Region (which includes Cumbria, as well as the more strictly North East counties of Northumberland, Durham, Tyne and Wear, and Cleveland), the physical and psychological changes are as important as one another.

Mr. Herzberg, who returns to industry next month after three years in the job, describes those three years as "the most satisfying in my adult life". One of the things he feels he has helped to do is assist in the rebuilding of morale. "People had started to become accustomed to rundowns," he says. "They overlooked what had been done on the positive side." He points to the Tees, for instance, where he estimates £1,500m. has been committed in the last two years: "I challenge anyone to show me an area of such a few square miles in Europe where that has happened." Yet, he says, the people were suffering from an inferiority complex. Gradually pride has been restored.

On the other side of the coin, Teesside has also been described as "an ecological



disaster area" and certainly the huge developments, particularly in chemicals, have brought their environmental problems.

In terms of quality of life for the people of the North East, they always have had a great contrast between appalling industrial squalor and outstandingly beautiful countryside. The three great waterways of the Tyne, Wear and Tees that form the industrial base together with the rather more scattered coal mines, contrast sharply with "the four moods of Northumbria" highlighted in the tourist guide covering the area. The gentle tranquility of Teesside, the majestic cathedral city of Durham, the sparse moors and the superb coastline of Northumberland, contrast completely with the petrochemicals of Teesside, the shipyards of the Tyne and the subterranean darkness and dust of a coal mine.

The North Easterner has become used to these contrasts, and is in a curious way "close to nature." He has a history of working in the worst possible conditions in the bowels of the earth, and coming out to the glare of a bright sun enveloping the countryside around his village. This coal mining history gives the North Easterner his special resilience and tough charm, his respect for other men, and his slight suspicion of the stranger who may not quite understand this communion.

Charles Herzberg regards this character as one of the North East's great strengths. Although there have been great problems

in redeploying miners, because their very special skill is a non-transferable one, the new diversities in North East industry have benefited from an inflow of ex-miners. In a practical sense, they are used to three-shift working, which is a great advantage in itself. But Charles Herzberg takes it further than this. "They have spent their lives fighting nature," he says. "This gives them a special quality." He has found that miners, and for some of the same reasons former steelworkers, make excellent plant operators. They are of an independent nature; they react to situations on their own initiative, and are loyal and cheerful.

Restored

If and when as near full employment as possible is restored to the North East, with the capital investment that is going on now, and the full deployment of this high quality labour force, this should be an industrial centre second to none.

However, it is a little early to be carried away in euphoria by the undoubted successes. There are some black spots, and some of them will get worse before they get better. One of the bottlenecks in the process of North East recovery is the problem of retraining for redeployment. The retraining agencies have tackled the job aggressively, but it takes time.

One of the most worrying problems is the number of school leavers who are not getting jobs. School leavers will always suffer, it seems, in an area of labour reduction, par-

ticularly at a time of economic recession. It is a problem, in morale terms, somewhat worse than redundancy and unemployment. The school leaver is at a crucially sensitive and critical period in his life. A severe setback at this stage can affect his morale for a long time.

Perhaps surprisingly, the coal mining industry is coming to the rescue to some extent in this problem area. The total North East intake of mining and craft apprentices will be more than 700 this year — 200 more than last year. It is heartening for the region to see school leavers going—and wanting to go—into mines, as well as the number of ex-miners being attracted back to the pits.

Signs

Another of the really encouraging signs for those who have been watching the progress of the North East has been the way the region's economy has held up in the last 12 months or so. Significantly, too, the North East's rate of unemployment increase has been lower than for the country as a whole over the past year. That really means something in this area, for times of recession really test a regional policy.

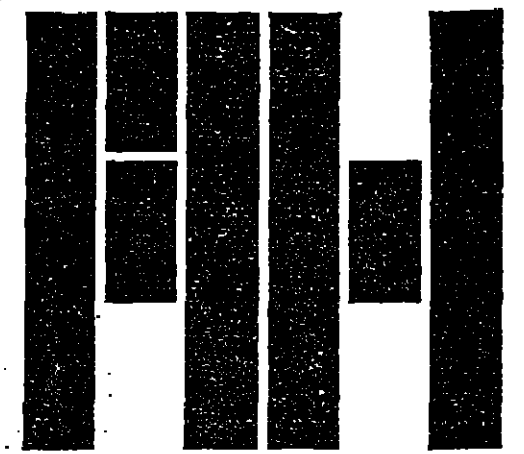
It can be said, of course, that because of the type of industry in the North East—the older extractive and smelting industries, and the long-order-book shipbuilders and power station suppliers for instance — recession takes longer to work through in an industrial area like this. That does mean, though, that if the decline is reasonably short-

lived there may not even be a hiccup later on. Part of the region's ability to ride the storm is connected with the tremendous increase in its export effort spurred by organisations like the North of England Development Council.

In the long, hard claw back to full employment and prosperity, the North East has had to try for balanced improvement—industrial expansion and diversification without environmental damage; improvements in communications to balance the growth in trade; the preservation of a way of life and what is best of the environment in the towns and cities while pressing on with the new towns and "green field" developments; and a balance between heavy industrial employment and service industry. The changing faces of places like Newcastle, Sunderland and the Teesside towns indicate these concerns.

The North East has come a long way since the dark, desperate days of not so many years ago. There is light at the end of what has been an extremely long tunnel, and it would be a real tragedy if at this stage, because of a national decline of wider implications than the problems of the North East, the tunnel should suddenly become unexpectedly longer. Yet there are already fears being expressed about a slowdown, a withholding of investment, more than usual difficulties in export markets, and the cash flow problems that are a feature of the crisis. The North East is still vulnerable.

Hugh Colver



knows the North East is good for growth. That's where its roots are.

Ferguson Industrial Holdings is a company founded in the North East. It has a firm commitment to investment in the North East, and its success is evident in the growing demand for the materials and services offered by the subsidiary companies it owns. Like Ferguson Foster Ltd, with seven branches supplying builders' and plumbers' materials throughout the area; Ferguson Ramsay Ltd in Newcastle, supplying architectural ironmongery for important building projects; King & Co Ltd of Darlington, offering a wide range of tools, architectural and building ironmongery and other products. Like the public companies in which FIH has invested, including Hindson Print Group Ltd, The Liner Concrete Machinery Co Ltd, and Allan Kennedy & Co Ltd.

All companies proving that where sound judgment and good management are employed, the North East more than weathers market uncertainties... it reaps the harvests.

Ferguson Industrial Holdings Limited

Appleby Castle, Cumbria CA16 6XH
Telephone: Appleby 51402

The County with the bounty for enterprising industry and commerce

Here in Tyne and Wear there's room to expand. Room to breathe.

For industry 22% Government grant towards the initial cost of industrial plant and buildings plus help with removal expenses and other aid—including the County's own loans and grants scheme—which could save you up to 45% on capital outlay.

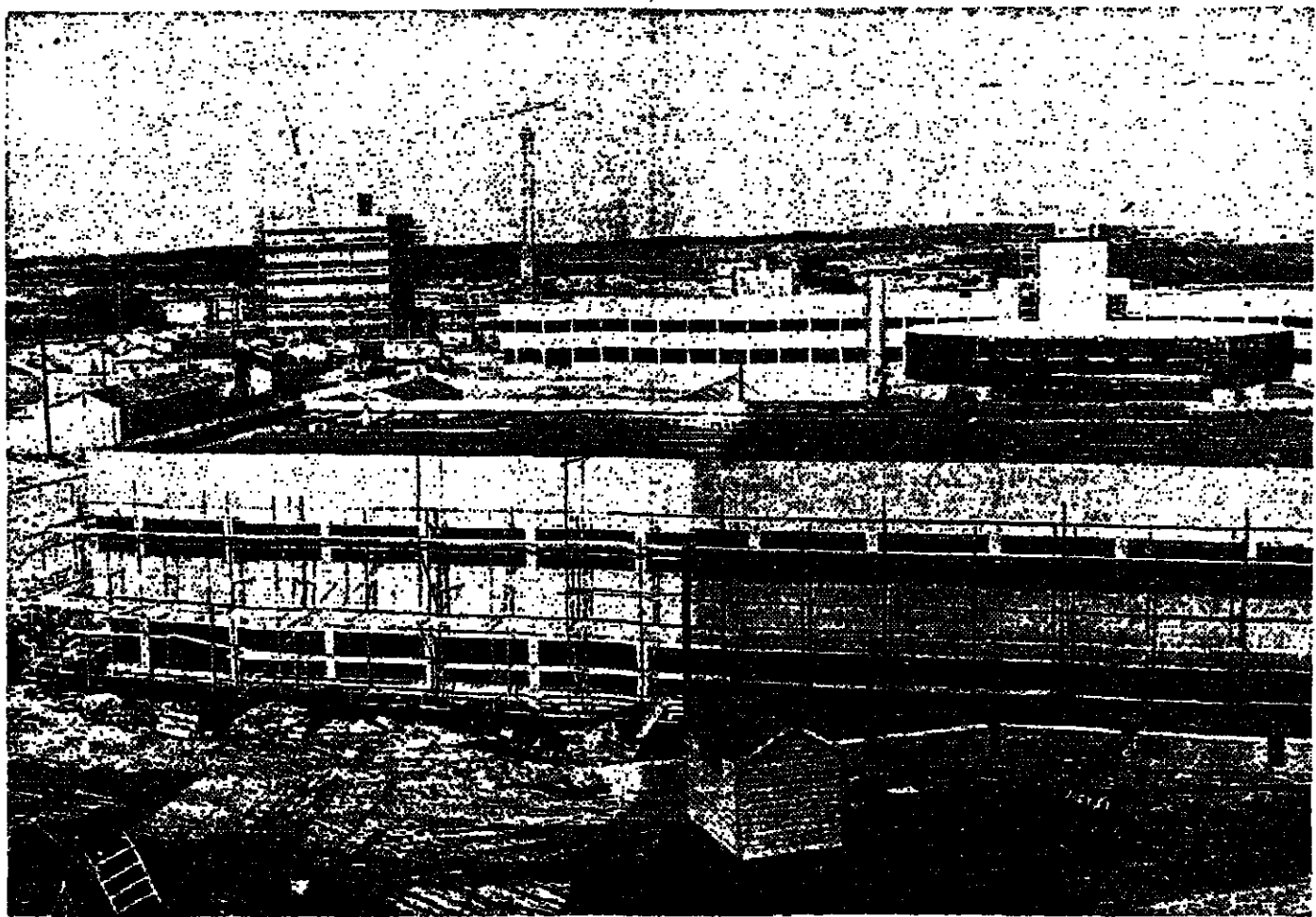
For Commerce, £800 for each employee moved with his work, plus rent-free offices for up to 5 years (or equivalent help if you buy your own offices).

We have over 500 acres of industrial land available, with sites

varying from 1 acre to 150 acres.

And over 250,000 sq. ft. of prime office space available, with more under construction.

If you'd like to learn more, simply ring Peter Waring our Industrial Officer on 0632 816144 or write to him at Tyne and Wear County Council, Sandyford House, Archbold Terrace, Newcastle upon Tyne NE2 1ED.



A new office complex at Washington nearing completion.



Tyne and Wear
County Council

freedom to expand

Write today for information on availability of sites, costs, acreage, labour, communications. Everything you need to know to take the first step to freedom.

Name

Name of Company

Position in Company

Address

To Peter Waring
Industrial Officer,
Tyne and Wear County Council,
Sandyford House,
Archbold Terrace,
Newcastle upon Tyne NE2 1ED

THE NORTH EAST II

The opportunities from oil

IT HAS been estimated that for the last two years North East industry has benefited to the tune of £100m. a year from the development of the offshore oil fields and some 7,000 people are currently employed in the area in the manufacture of platforms, modules, and specialist equipment for the North Sea oil business. Perhaps another 2,000 people in the area are employed indirectly on offshore industry work, and some 400 companies have so far been involved.

Offshore oil support work, be it in manufacturing hardware or supplying services, is full of proud claimants to the honour of being the "first" to do something or having made the "biggest this" or the "biggest that." This part of the world is no exception. The first major oil production platform for the North Sea was made at Graythorp on the Tees where the second platform of the same type has just been completed, the first single England, apart from a geobuoy mooring system for offshore work was produced on favourable, offshore work was the Tyne, and, of course, the first drilling operations started off Sunderland many years ago.

But for the North East there is something much more important than breaking records or being first in a field—offshore work brings money and work. Certainly, within the established industrial community offshore work represents an alternative market for

existing resources, but the truth is that in these specialist engineering sectors, and in the shipbuilding business related to the development of the offshore work, came along at the right time to absorb labour that was becoming surplus.

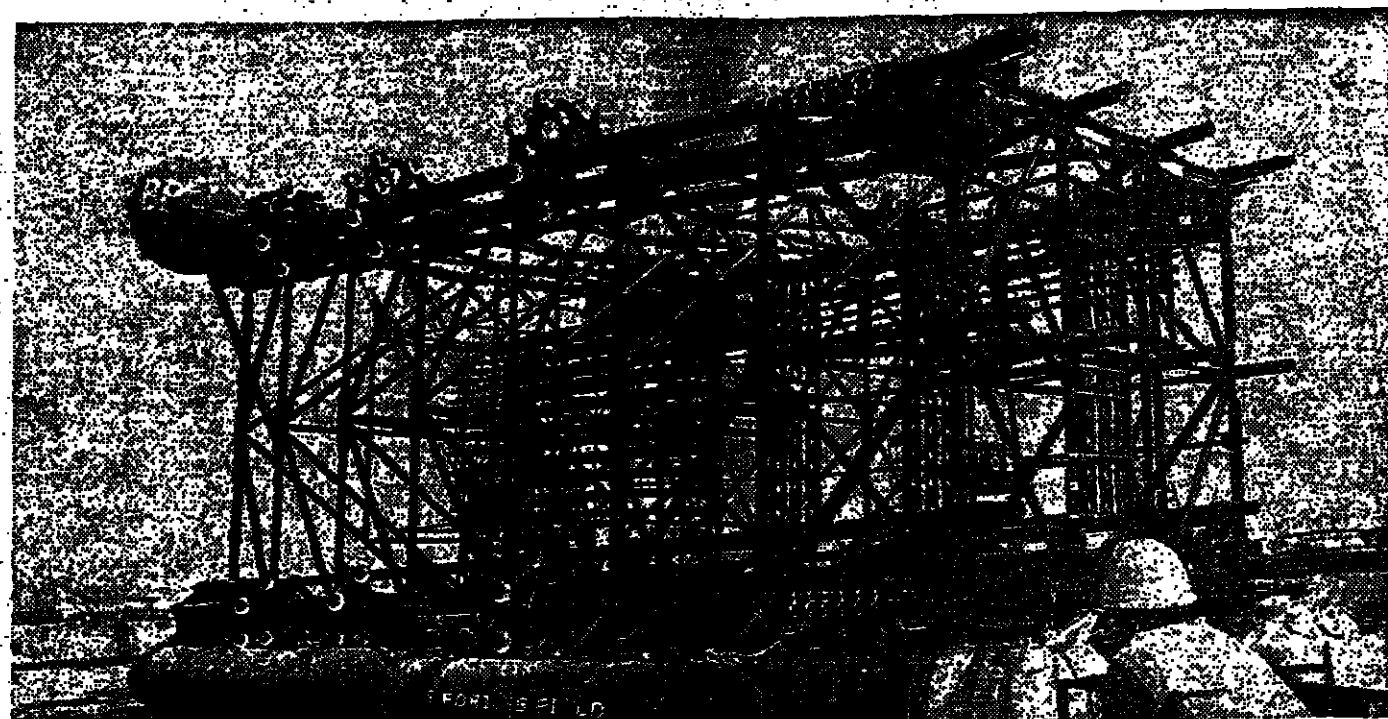
The impact of the industry has not been felt, therefore, in the way it has in Scotland—and incidentally problems such as a strain on housing availability have not been experienced in the North East because of the oil business. There has been a little strain in some highly specialist skill areas in terms of finding enough of the right men with the right skills, but generally offshore work is regarded as a normal extension of an industry that existed already. "It's not a bonus, though, it's a salvation," those involved will say.

Apart from having half the module capacity of the U.K., as well as the ability to build one major production platform every year, the Tyne/tees area has become increasingly important in the specialist equipment sector, and has companies working on rig maintenance. North East. It has shared the others building drilling ships and repairing supply vessels. Some providing services for BP's production platforms for BP's Forties field with a yard in direct to the rigs—although Scotland—Graythorp 1 and 2 being built on the Tees, and the great for the day-to-day support services which are mostly based in Scotland.

Landing

Apart from the engineering, construction and support elements, the North East also has a role as a terminal for the ultimate product of all this effort. Teesside is to be the landing point for the pipeline from Norway's Ekofisk oilfield, and Phillips are to expand their refining capacity to cope with this. It should be remembered too that Teesside has a huge petrochemical complex and so the means of conversion to, say, plastics or protein, are on the doorstep.

The companies involved in the engineering and manufacturing side of the business are led by Laing-ETPM at Graythorp. In a purpose-built yard RDL



Graythorp 2, a production platform for BP's Forties field which has just been completed ahead of schedule by Laing's yard on Teesside.

on the Tees, this company specialises in the making of offshore oil platform accommodation modules, and trial development extensively. There has been a notable co-operative effort between the industry and the Department of DoI, to concentrate on advanced technology with special responsibilities for oil-related industry in the Northern Region, taking a lead in helping industry to gain the maximum possible from the opportunities.

The Department of Energy and the Offshore Supplies Office have also been involved.

On the Tyne, William Press has one of the first module yards in the country at Wallsend; Williams Brothers Offshore (associated with the Charlton Leslie Group) also has a module site in the old shipyard at Wallsend; North East Coast Shipbuilders, a former Court Line company based at Hebburn that fitted out the Wimpey sea lab, is now converting a ship for the drilling role, and also build drilling ships; and Sunderland Shipbuilders, also a former Court Line company, is producing single buoy mooring systems as well as anchors for rigs and barges.

Bearing in mind not only the immediate benefits in terms of work for these companies and employment for the area, but also the fact that offshore work will later develop into deep sea work, and the additional point that there are 800m. tonnes of coal off this particular coast, the North East is taking its

share of the opportunities. These working parties are now on the verge of setting up a private offshore development company, on the initiative of the industry and the Department of DoI, to concentrate on advanced technology with special responsibilities for oil-related industry in the Northern Region, taking a lead in helping industry to gain the maximum possible from the opportunities.

The Department of Energy and the Offshore Supplies Office have also been involved.

On the Tyne, William Press has one of the first module yards in the country at Wallsend; Williams Brothers Offshore (associated with the Charlton Leslie Group) also has a module site in the old shipyard at Wallsend; North East Coast Shipbuilders, a former Court Line company based at Hebburn that fitted out the Wimpey sea lab, is now converting a ship for the drilling role, and also build drilling ships; and Sunderland Shipbuilders, also a former Court Line company, is producing single buoy mooring systems as well as anchors for rigs and barges.

Bearing in mind not only the immediate benefits in terms of work for these companies and employment for the area, but also the fact that offshore work will later develop into deep sea work, and the additional point that there are 800m. tonnes of coal off this particular coast, the North East is taking its

share of the opportunities. These working parties are now on the verge of setting up a private offshore development company, on the initiative of the industry and the Department of DoI, to concentrate on advanced technology with special responsibilities for oil-related industry in the Northern Region, taking a lead in helping industry to gain the maximum possible from the opportunities.

The Department of Energy and the Offshore Supplies Office have also been involved.

On the Tyne, William Press has one of the first module yards in the country at Wallsend; Williams Brothers Offshore (associated with the Charlton Leslie Group) also has a module site in the old shipyard at Wallsend; North East Coast Shipbuilders, a former Court Line company based at Hebburn that fitted out the Wimpey sea lab, is now converting a ship for the drilling role, and also build drilling ships; and Sunderland Shipbuilders, also a former Court Line company, is producing single buoy mooring systems as well as anchors for rigs and barges.

Bearing in mind not only the immediate benefits in terms of work for these companies and employment for the area, but also the fact that offshore work will later develop into deep sea work, and the additional point that there are 800m. tonnes of coal off this particular coast, the North East is taking its

share of the opportunities. These working parties are now on the verge of setting up a private offshore development company, on the initiative of the industry and the Department of DoI, to concentrate on advanced technology with special responsibilities for oil-related industry in the Northern Region, taking a lead in helping industry to gain the maximum possible from the opportunities.

The Department of Energy and the Offshore Supplies Office have also been involved.

On the Tyne, William Press has one of the first module yards in the country at Wallsend; Williams Brothers Offshore (associated with the Charlton Leslie Group) also has a module site in the old shipyard at Wallsend; North East Coast Shipbuilders, a former Court Line company based at Hebburn that fitted out the Wimpey sea lab, is now converting a ship for the drilling role, and also build drilling ships; and Sunderland Shipbuilders, also a former Court Line company, is producing single buoy mooring systems as well as anchors for rigs and barges.

Bearing in mind not only the immediate benefits in terms of work for these companies and employment for the area, but also the fact that offshore work will later develop into deep sea work, and the additional point that there are 800m. tonnes of coal off this particular coast, the North East is taking its

Research

The only regional committee on offshore technology was formed in this region last year to respond, as Jim Mark expresses it, "in a concerted fashion to the Working Party report on research and development in this field." The committee comprises heads of firms engaged in North Sea work in the region, and such people as naval architects and consultants. "We want to make an attack on the problem areas identified in that report," says Mr. Mark. The committee has formed its own working parties to look into particular research, development and marine engineering operations where the

region might have a role. These working parties are now on the verge of setting up a private offshore development company, on the initiative of the industry and the Department of DoI, to concentrate on advanced technology with special responsibilities for oil-related industry in the Northern Region, taking a lead in helping industry to gain the maximum possible from the opportunities.

Hugh Colver

Industrial & Commercial Opportunities in the North East

BILLINGHAM

Modern single storey factory of 21,000 square feet is available with immediate occupation at a modest rental of 75p p.s.f. divisible into units of 7,000 s.f.

EAGLESCIFFE

Eaglescliffe Industrial Estate. Factory warehouse premises available to clients' individual requirements. Freehold or Leasehold.

GATESHEAD

Park Road Industrial Estate. Four new warehouse/light industrial units approx. 24,000 s.f. to let as a whole or in units of 5,000 s.f.

HARTLEPOOL

Modern engineering workshop with rail access. 42,000 s.f. with overhead crane to lift 10 tons also a 60ft. diameter Railway Turntable. Freehold for sale.

KILLINGWORTH

George Stephenson Industrial Estate. Modern factory single storey. Full central heating and sprinkler system approx. 11,500 s.f. Long leasehold for sale.

MIDDLESBROUGH

Skippers Lane, Middlesbrough. Freehold industrial site of 7 acres available for purchase.

MIDDLESBROUGH

Cannon Park Industrial Estate. This prestige development by Middlesbrough Borough Council 50,000 s.f. of first class modern premises ready for occupation and divisible into units of 5,000 s.f. To let.

MURTON

Co. Durham. Industrial buildings approx. 55,000 s.f. Site area 3.08 acres. For sale freehold as a whole or in parts. Excellent location midway between Tyne/Wear and Cleveland areas, on A.19 Motorway.

NORTH SHIELDS

Substantial garage for sale as a going concern. Extensive Showrooms, Workshops and Office accommodation. Excellent petrol sales. 18,400 s.f. approx.

NEWCASTLE CITY CENTRE

Impressive garage, car showroom and car service centre less than two years old. Ground floor approx. 12,500 s.f. Car parking of approx. 5,500 s.f. Long leasehold for sale. Franchise available.

NEWCASTLE CITY CENTRE

Substantial factory for sale or to let. Floor area approx. 70,000 s.f. Development potential exists. Cleared site approx. 1 acre. Excellent tower centre peripheral location.

PONTELAND

Meadowfield Industrial Estate. Poultry processing factory with cold storage facilities. Modern single storey building. Land available for expansion. Floor area approx. 6,800 s.f. Freehold for sale.

REDCAR

A modern warehouse or light industrial property of 20,000 s.f. available for immediate occupation. Long leasehold for sale.

SOUTH SHIELDS

Horton Lane. Modern single storey warehouse with offices. Floor area approx. 29,200 s.f. Freehold for sale.

STOCKTON

Modern single storey distribution warehouse and showrooms adjoining A.19 Motorway. 20,000 s.f. for sale or to let.

THIRSK

Adjacent to the A.166 at Thirsk. Warehouse and distribution depot of 17,000 sq.ft. and site of 1.7 acres. Ideally situated to serve a large and prosperous rural area. Freehold for sale.

THORNABY

Adjoining Thornaby Town Centre. 28,000 s.f. of modern warehouse accommodation with height of 28 feet suitable for pallet stacking. To let.

Storey Sons and Parker

Higham House
New Bridge Street
Newcastle upon Tyne NE1 8AU
Tel 0632 26291

CHARTERED SURVEYORS
The Cleveland Centre
109 Albert Road
Middlesbrough TS1 2PW
Tel 0642 48301 (10 lines)

Also at Darlington



Central Industrial/Warehouse Units.

Units from 4,000 sq. ft. upwards are now available to lease in Phase 2 of Cannon Park, a prestige trading estate being developed by Middlesbrough Borough Council on the periphery of its shopping and commercial centre. Central Middlesbrough is designated the Regional Centre for Cleveland County, and has good access to national and international destinations. Regional Development grants are available.

Chief Planning Offr.
58-60 Albert Road,
Middlesbrough,
Cleveland TS1 1QT.
Tel: 0642 48432.

Storey, Sons & Parker,
109 Albert Road,
Middlesbrough,
Cleveland TS1 2PW.
Tel: 0642 48301.

Weatherall, Hollis & Gale
CMA House,
Park Place,
Leeds LS1 2HP.
Tel: 0532 442066.

Slack market for property

ALTHOUGH IT is now evident that the North East is coming through the present recession with a good deal better than expected, there are signs that some sectors, which were all right this time last year, are now beginning to feel the cold. Property is one of them.

Between 1973 and mid-1974 300,000 square feet of city centre office accommodation was taken up in Newcastle alone. Rents were between £1.50 per square foot and £1.30 and at that time thought to be rising. Another 300,000 square feet of office and shop accommodation was well on the way to completion a year ago and demand appeared to be holding up.

Things have clearly changed. There are currently 250,000 square feet of office accommodation available in Newcastle, and according to the prominent North East estate agent's, Storey, Son and Parker, demand

is very slack. Most of it still appears to be coming from local authorities but since they are under pressure from both Government and ratepayers to cut expenditure it is uncertain how long this demand will continue. Much will depend whether they decide to go on recruiting staff. There are

apparently in the North East many posts created under reorganisation which still have to be filled.

Offices

A year or so ago there was hope that the efforts of local authorities and the North of England Development Council to attract service industries would maintain demand for office accommodation in the main centres. It was also hoped that the development of North Sea oil would mean that more companies would establish offices in Newcastle. So far there are no signs that these trends have developed significantly, at any rate in Newcastle. The position is slightly better on Teesside and many firms connected with the oil industry have opened offices there. Modern office accommodation, in spite of city centre redevelopment, in Middlesbrough is getting hard to come by.

Much of the demand in the North East in the last two years has been from companies moving out of older premises into more modern accommodation. Deloitte, the chartered accountants, recently took over the whole of Hadrian House, a new block of 44,000 square feet in Higham Place, after leaving their offices in Grainger Street. But as city centre redevelopment programmes proceed this demand for accommodation is tending to dry up.

Major developments currently going ahead in Newcastle include a 100,000 square foot first class road system over the block in a very steep cobbled street running past Newcastle's factor in this demand. The ancient keep called "The Slide," North East is now a good location on the site of the old Town Hall where Centros goods on a fairly large scale. Investments are building a block of 60,000 square feet. Both of these are likely to be completed by April next year and it is expected that rents will range from £2.00 to £2.50 per square foot. Accommodation is also cur-

rently available in the Norwich Union building in Westgate and Douglas House, which is being built by London and Overseas and providing 50,000 square feet at £1.50.

No other major developments are likely to set off the ground in the foreseeable future and in Newcastle it is felt that if building costs continue to rise at their present rate, rents will have to rise to about £3.50p per square foot before office development really gets moving again. For Newcastle that is a high rent and immediately raises a question mark over future demand at that price. As the differential between London and the provinces narrows the incentive for firms to move out of London and the South East will diminish.

The market for industrial land has also fallen off particularly in the private sector. Although modern factory accommodation is available for about £1.50p per square foot and for large developments as little as £1, the private estate developers are having less success than previously in finding takers.

New industry is still coming into the North East but most of it seems to be drawn to the new towns like Washington and Cramlington. If the visual evidence is anything to go by Washington seems to be doing particularly well at the moment with several major factory developments in progress as well as a number of smaller ones. Phase II of the new town's project at Wear, where factory accommodation is being provided for secondary manufacturing and precision engineering companies, development is also going ahead.

Much of the demand for industrial property which does exist at the moment in the North East is for warehouse accommodation. The development of a 100,000 square foot first class road system over the block in a very steep cobbled street running past Newcastle's factor in this demand. The ancient keep called "The Slide," North East is now a good location on the site of the old Town Hall where Centros goods on a fairly large scale. Investments are building a block of 60,000 square feet. Both of these are likely to be completed by April next year and it is expected that rents will range from £2.00 to £2.50 per square foot. Accommodation is also cur-

Industry on the move? It all adds up to...



Sunderland is a work hard, play hard borough, a vigorous lively community with an industrial tradition that goes back centuries. The local authority will try to help you in many ways to establish your new factory in Sunderland.

For further information contact:
L.A. Bloom, Chief Executive,
Borough of Sunderland,
Town Hall & Civic Centre,
Sunderland SR2 7DN
Tel. 0783 7000 Telex. 537837



The Northern Region Oilfield

The North Sea starts here. Along the North East coast, shipbuilding and engineering firms large and small are serving and supplying the growing North Sea offshore oil industry. Five thousand men are already working directly for North Sea oil—and there is still capacity to spare. You can have all the information you need as an equipment user or a manufacturer through "Oilfield", the definitive directory of offshore requirements and industrial resources in the Northern Region.

The best move you can make in the North East is to come to Bellway

Developers of commercial and property projects, private and local authority housing.



Bellway, Dobson House, Regent Centre,
Gosforth, Newcastle upon Tyne NE3 3LT
Tel: 0632 842321. Telex: 537124

CONTINUED ON NEXT PAGE

THE NORTH EAST III

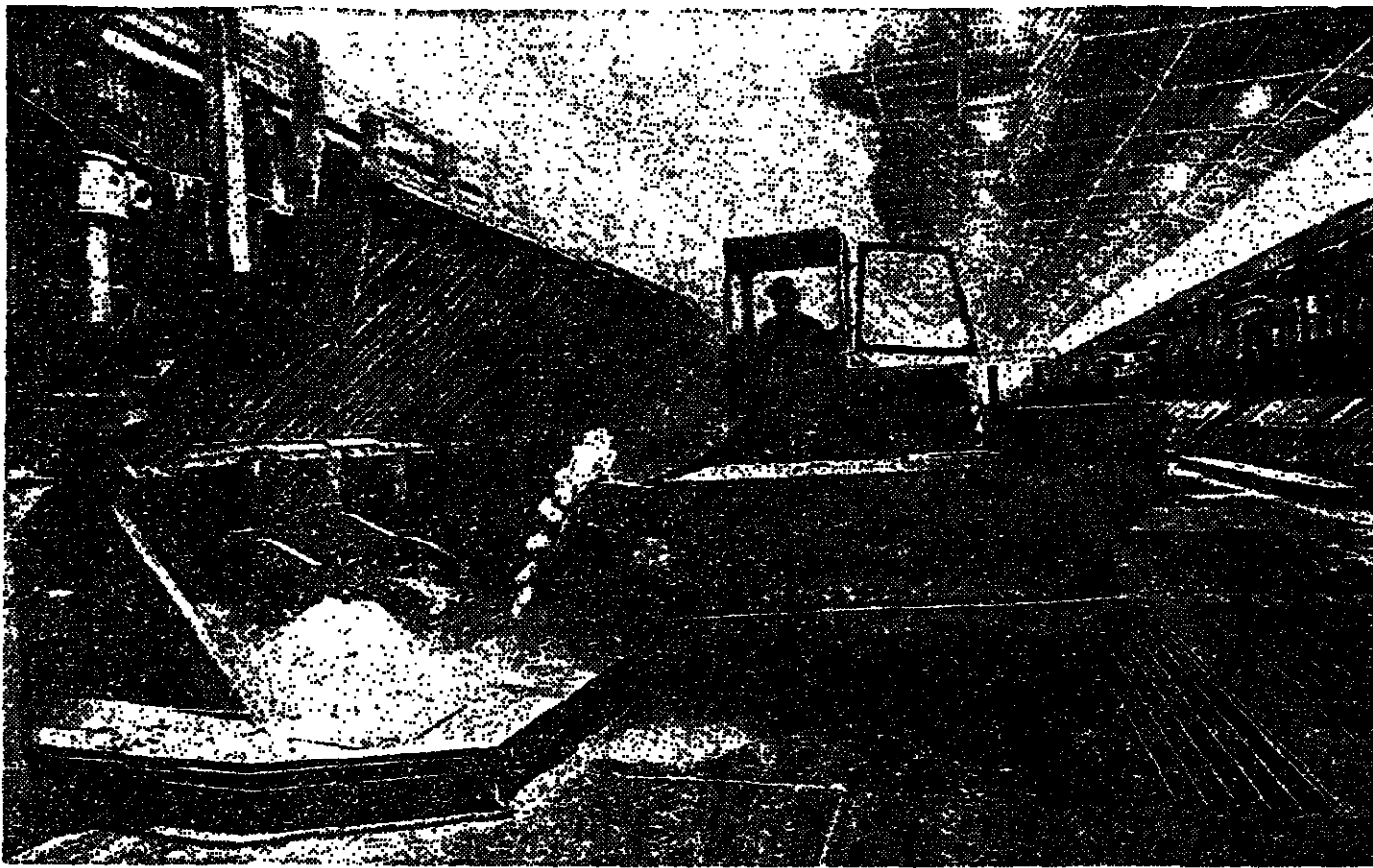
A broader industrial base

THE NORTH EAST has been the subject of special Government assistance since the 1930s: the help going to both industry and local authorities. In that time successive Governments have nurtured one of the most highly developed systems of Government aid seen anywhere. The amounts of money involved have been enormous and increasing year by year. The system has been extended by further legislation from time to time and has gradually become more sophisticated and all-embracing. One day, it has often been said, the money will come back—the loans through repayment, the grants through taxation.

The visible signs of this long and expensive effort are there for all to see. The basic industries are at or near the end of their decline, there is heavy capital investment in coal, steel and engineering, shipbuilding order books are full, new industries have blossomed in new towns and on the older, previously rundown, industrial centres, the infrastructure has been greatly improved, the ports have expanded their trade, the service employment opportunities have been increased.

For Charles Herzberg, Regional Industrial Director for the Department of Industry, it is the catalytic effect of regional policy that is important. "We don't actually create anything," he says, and points out that while many people talk about bringing industry to places like the North East there is actually very little mobile industry about. "Grow them in their own seed boxes," is a principle that Mr. Herzberg and his predecessors have adopted. Part of the regional policy role in this is the "shaking out" of marginal projects, or of those held up by cash generation problems. The heavy involvement of the banks, many of them making their regional headquarters in Newcastle, has been a key factor in this.

There have over the years been great changes in the industrial structure, and not just because, for instance, in coming firms have provided 10,000 new jobs over the past five years. There has been significant growth in new branches of industry, like pharmaceuticals, and while some of the more traditional heavy engineering has declined,



Alcan (U.K.) Ltd.'s aluminium smelter at Lynemouth, Northumberland.

engineering, both electrical and mechanical, and a good deal of the lighter end of the industry, has taken on a quite new importance. The area has become well-endowed with technical institutes, and there has been a resultant boost to the high technology industries. Consumer durables have a significant share in the economy too.

Chemicals

Of the really big employer industries chemicals now ranks high. Here is an example of an industry that has been in the North East for a long time, but has blossomed to giant proportions in recent years. Teesside is now a huge petrochemical complex by any standards. ICI alone employs 25,000 people in the North East and expansion plans running into hundreds of millions of pounds, are in progress. A new 500,000 tonnes a year naphthalene cracker is due to be commissioned by ICI and BP Chemicals in 1977. Further work is being done on staple fibre and polypropylene plants, and a new 300,000 tonnes a year

ammonia unit is in progress. The presence of all this raw material creating industry must be regarded as a boost to the growth of customer firms, too. Apart from that, though, the chemical industry is showing itself to be rather more labour intensive than some imagined. People have tended to say: "We want jobs, not chemical works." But while, admittedly, the output per operative is extremely high, the number of white collar workers per operative is also high. Apart from this there is the diverse nature of the chemical industry and the difficulties connected with shutting down factors that lead to job security.

Petrochemicals is a "womb to tomb" business, involving everything from pesticides to plastics to man-made fibres. If one sector is in decline, the chances are the others can compensate. Job security is also ensured by the fact that it is often cheaper to keep a plant running and build up stocks than shut it down and become involved in the cost of recommissioning. Apart from chemicals and the other basic industries that

form the backbone of the region's industrial life there is a good balance between newly formed and expanded industry. To take a few examples from last year's moves, a clothing manufacturer, an automotive components company, and a contract machining plant moved into Cleveland County; a rubber plumbing fittings business and a pipeline computer moved into Durham County; glass and bar manufacturers for the construction industry, industrial lubrication equipment makers, and a thermostat manufacturer moved into the Newcastle area. Elsewhere in Tyne and Wear, Sunderland saw the arrival of an industrial pipework company, and Washington welcomed a supplier of components to the electronics industry, a coin machine workshop, a conveying equipment manufacturer and a plastics company.

In Northumberland, Cramlington saw the arrival of companies in a wide variety of businesses: their film micro-circuits, electrical varistors, acoustic insulation, and double glazing, for example. Expansion of existing activities has concentrated particularly in the engineering field, with work connected with the North Sea oil developments high on the list. Apart from this, though, Hartlepool, which is soon to lose more steel jobs, is gaining a refrigerator factory and an increase in electric plug manufacturing which helps to bring more jobs, and elsewhere expansion has been heavily weighted towards petrochemicals and a great variety of light engineering activities.

A factor that is likely to affect the pull on industry in the future is the increasing importance of the ports, particularly in view of Britain's confirmed EEC membership. There are clear signs that the traditional flow pattern of British trade north-south is veering round to the east-west axis. North-east coast trade used to be confined to coal, with p.t. props and paper coming from Europe. Nowadays the east coast boasts no fewer than 28 roll-on/roll-off services a week to Europe, and the North East sector is playing its part. That must have an impact on

industrial development, and the diversity of it.

For the Department of Industry people in Newcastle, though, there are still many areas where the pressure has yet to be put on. This region, for instance, is not immediately thought of as a major meat producer, yet it is. It is thought that too much meat goes out of the region "on the hoof," and there is scope for more processing plant and freezing works.

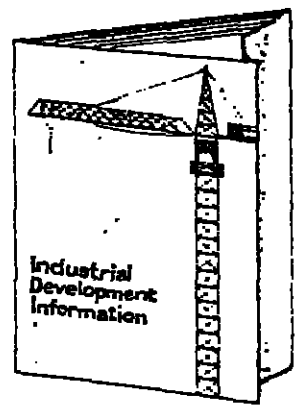
Report

Of great significance is the extent to which foreign companies have started to become interested in developing industrially in the North East. The North of England Development Council report that of 1,800 inquiries received in the last year from industrialists interested in the Northern Region, no less than 33 per cent. were from overseas companies, and these chiefly American or Japanese. One success is that the Japanese ball bearing giant NSK is to establish its new European base in the new town of Peterlee.

The North East, through the influence of direct Government regional policies over many years, and through the connected catalytic effect, has created a broader industrial base that is being strengthened by the introduction of new people, a new management style, and a new attitude of faith in the future—a faith that is most encouraged by expressions of confidence from outsiders.

Hugh Colver

Discover why industry is investing £1500million in Cleveland!



Companies like British Steel Corporation, I.C.I., Phillips Petroleum. Projects as diverse as North Sea Oil, food, chemicals, instrumentation and floor coverings.

Send for the Cleveland Literature and see why Cleveland is the newest and most exciting development area.

Countryside. Leisure. Envyable environment. Very good housing. Easy driving. Modern airport — scheduled London service. Major port. A dozen modern factory estates. National Park on the doorstep.

To the County Planning Officer, Cleveland County, Guiney House, Gurney Street, Middlesbrough, Cleveland, TS1 1QT. Tel: (0642) 48155. Please send me the Cleveland literature.

Name.....Position.....

Company.....Tel.....

Address.....

Cleveland County — the new centre in the North East

Property

CONTINUED FROM PREVIOUS PAGE

for this. One is that the North East generally has lagged behind the rest of the country in providing shop accommodation. The Eldon Square scheme in the centre of Newcastle, which will provide the city with a hundred new shops, has met repeated delays over the past few years but is now proceeding fairly rapidly and should be completed by the end of the year. This, it is believed, should ease the situation to some extent. The new development in Eldon Square is expected to attract not only retail companies already established in the North East, but a good many newcomers from outside, among them Habitat. Since shops are responsible to a large extent for stimulating demand, giving currency to new ideas and fashions and generally raising

levels of expectation, the Eldon Square scheme could have far reaching effects, economically and socially, which in the long run could further stimulate demand for the shopping facilities which the North East has lacked so long.

Rents

Rents for shops in Newcastle are among the highest in the country outside of London. In Northumberland Street they can be as much as £30,000 or £35,000 per annum for a standard unit of 20 feet by 30 feet. One explanation for this is that Newcastle has few competitors as a shopping centre in the whole of the North East.

Things are changing slowly as towns like Sunderland,

Middlesbrough and Thornaby extend their facilities. These towns all have new shopping centres which have proved very successful. A small development comprising about 20 shops is nearing completion in Durham City.

It seems unlikely, however, that these developments will have any marked effect upon the level of shop rents in Newcastle in the foreseeable future, for while there have been a number of highly successful shopping precincts developed in recent years there have also been a number of comparative failures. One in Gateshead has been completed for about eight years and is still not completely occupied. At Killingworth new shops have failed to come up to expectations largely, it is thought, because the population of the new town has not

yet reached the right level. At Benwell, to the west of Newcastle, only 75 per cent. of the shopping development has been let. The tenants have actually suffered from competition from older existing shops.

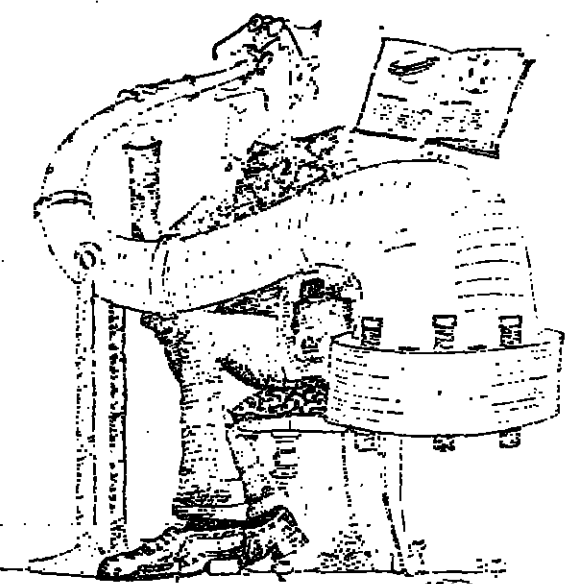
Housing

The housing market has begun to show signs of improvement in the last few weeks. According to Bernard Thorpe, Partners who are well represented in the North East, houses at the cheaper end of the market, up to about £14,000, are selling very well. So are houses upwards of £25,000 in towns like Hexham and Morpeth which are now favoured by professional and executive commuters. Even the more extravagant houses above £50,000 are

reported to be selling well. This may be because there are comparatively few houses in these categories in the region, although in the last three or four years developers have been trying to make good the deficiency.

Houses between £20,000 and £25,000 in suburbs like Gosforth and Jesmond are generally not selling. The feeling is that the desire to live close to work is giving way to a preference for living in the country. Commuting was something almost totally foreign to North-Easterners until recent years. This changing pattern may well be the result of the influx of newcomers, professional and executive people who have come in with new industry in recent

James Nicholson



The right tube is important!

The right tube at the right price, delivered on time.

It sounds simple enough but how many suppliers provide that kind of service? Lion Tube & Steel Company does — regularly to some of the largest (and smallest) Companies throughout the U.K. In recent years our warehouses have to be equipped with the most extensive range of tubes available ranging from 1 1/2" to 48" diameter.

This requires space, lots of it — and at South Bark, 12 Middleburgh, we have 7 acres of stockpiling area and a further 1,700 square metre extension already under construction. In such extensive stocks comes a two star service. For example we offer a comprehensive loading facility up to 6" diameter of BSP and API threads, while customers' own tubes are threaded or supplied as stock.

London Office: 113-123 Upper Richmond Road, P.O. Box 865, Putney London SW16 2TJ. Tel: 01-728-1173 Telex: 28730
Middlesbrough Office: Burnall Road, Skippers Lane, Middlesbrough, Cleveland Tel: Eton Grange 6500. Telex: 58556.

Other services include the ability to bend ends up to 6" diameter and to provide a facility for cutting up to 25" diameter and "bore cutting" over 25" diameter.

And that's not all.

The Lion Tube & Steel Company has an equally impressive sheet and plate department which includes a 30 ton roller for up to 3 mm thick sheet.

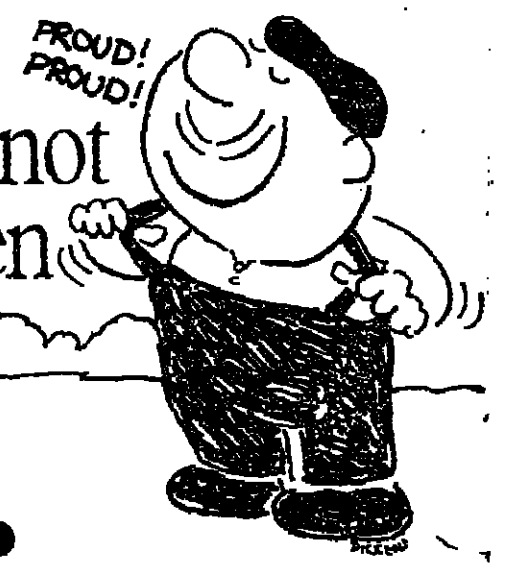
So you can see the people who need a fast, competitive and efficient service to meet their tube and sheet problems can rely on the strength of "Lion".

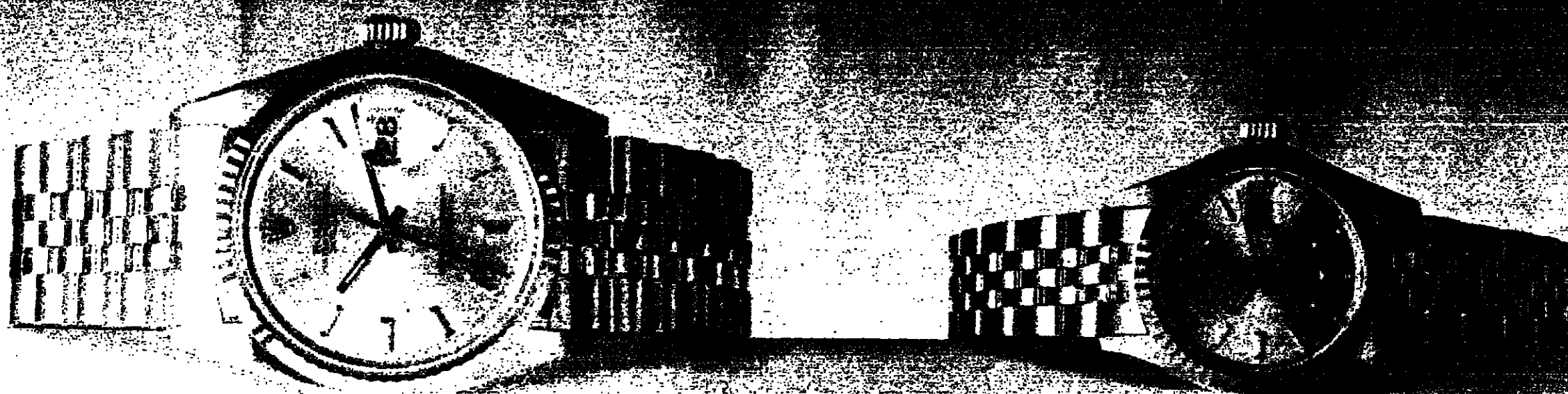
Let us know you made the Lion Tube & Steel Company your first choice!



THE LION TUBE AND STEEL COMPANY LTD

A few facts about the people you will live and work with at Peterlee. Peterlee New Town is 25 years old. That's our advantage. It has meant gradual long-term development of industry. A tradition of loyalty to the area. And it's reflected in the work records of the Peterlee people. Disputes are virtually unknown. Peterlee has a labour pool of 110,000. Proud and dedicated people. An old fashioned concept but productive. (The Jarrow Marchers marched not for assistance, but for work). Come up and meet us. Phone John Green on 078 323 5638 now and reserve an inspection visit. Then you'll find out why **Peterlee is the place to be.**





The case of the Rolex Oyster for men is the strongest watch case that has ever been made. It is carved out of a solid bar of gold, platinum or stainless steel, in a series of 162 separate operations.

The result is a case which contains no seams that could allow water, dust or dirt to get inside.

The Twinlock Winding Crown works very much like a submarine hatch, actually screwing into the case, and is internally sealed for extra protection.

But first, the rotor self-winding movement has to be proved fit and ready, so it is sent to the Institute for Official Chronometer Tests. No watch can be called a chronometer unless it has passed these strict tests.

Although the Rolex craftsmen produce only a fraction of the annual output of Swiss watches, Rolex have won nearly half of the Chronometer Certificates ever awarded.

So you will appreciate that when case and movement are united, the finished Rolex Oyster for a man is a very fine chronometer indeed.

The case of the Rolex Oyster for women is the strongest watch case that has ever been made. It is carved out of a solid bar of gold, platinum or stainless steel, in a series of 162 separate operations.

The result is a case which contains no seams that could allow water, dust or dirt to get inside.

The Twinlock Winding Crown works very much like a submarine hatch, actually screwing into the case, and is internally sealed for extra protection.

But first, the rotor self-winding movement has to be proved fit and ready, so it is sent to the Institute for Official Chronometer Tests. No watch can be called a chronometer unless it has passed these strict tests.

Although the Rolex craftsmen produce only a fraction of the annual output of Swiss watches, Rolex have won nearly half of the Chronometer Certificates ever awarded.

So you will appreciate that when case and movement are united, the finished Rolex Oyster for a woman is a very fine chronometer indeed.

It's just smaller, that's all.


ROLEX
of Geneva

If you would like to write to us for an Oyster catalogue, we will tell you the name and address of your nearest official Rolex jeweller.
Rolex, 1 Green Street, Mayfair, London W1Y4JY.

سکس من لکھن

ACCOUNTANCY APPOINTMENTS

CORPORATE AUDIT MANAGER

Northern Italy c1m lira+ (approx £7,500+)

Our client is a well established and rapidly expanding European textile manufacturing group with production facilities in Italy and Switzerland and marketing offices throughout Europe. The group has some 4,500 employees and has recently achieved a 20% share of the European denim, corduroy and velveteen market.

Due to recent acquisitions and internal development the group now wish to recruit a Corporate Audit Manager. He will be responsible for establishing an audit function with particular emphasis on operational matters.

Candidates must be chartered accountants with at least two years post-qualification experience. Whilst a knowledge of Italian would obviously be useful it is not regarded as essential.

Salary is negotiable around 11 million lira plus benefits.

For further information and a personal history form please contact Michael Shattock B.A. (Econ), A.C.A. quoting reference No. 1268.

Douglas Lambias Associates Ltd.,
410 STRAND, LONDON WC2R 0LS.
TELEPHONE 01-836 4086
2 COATES PLACE, EDINBURGH EH3 7AA.
TELEPHONE 031-233 7741

COMMERCE & INDUSTRY



GENERAL APPOINTMENTS



CONTAINER TERMINALS LIMITED

have asked us to advise on the following appointment:

GENERAL MANAGER

LOCATION

NEW ZEALAND

The rapid expansion of container shipping services requires the extensive development of facilities and systems at the Wellington Container Terminal.

The Company's principal shareholder is THE SHIPPING CORPORATION OF NEW ZEALAND LIMITED with the balance to be held by overseas container operators. This Company has been formed to develop and operate the extended Terminal and requires a chief executive who will be responsible directly to the Board of Directors for the operation and development of the Terminal. This is a unique opportunity to be vitally involved in a development important to the New Zealand economy and the progress of the transport industry. As such, the appointment is being advertised internationally. The location is in Wellington City.

REQUIREMENTS:

- The position calls for energy and drive and an ability to negotiate with container operators, transport contractors and industrial interests.
- As he will be responsible for the efficient operation of the facility, which will handle up to 100,000 containers per annum, he must have proven executive management experience, combined with a sound appreciation of industrial relations.
- Knowledge of shipping and transport operations would be an advantage.
- The ability to plan, organise, control and lead staff.

REWARDS:

- Salary and fringe benefits will be negotiable and fully commensurate with the responsibility of the position.

APPLICATIONS:

Strictly confidential. Closing date for applications—30 June, 1975. Please apply in writing stating age, experience, qualifications, other relevant information and telephone numbers, mentioning Position R.B.731 to:

MR. R. H. BORLAND
MANAGEMENT RESOURCES LIMITED
First Floor, World Trade Centre, Sturdee St.,
Box 11-237, Manners Street Post Office,
Wellington, N.Z.

TECHNICAL and COMMERCIAL DEPUTY

very dynamic
with experience in computer aided design
preferably graphic applications

required by a large American Group for its
London offices

He will be visiting mechanical and electronics
industries, research departments etc. with a view
to introducing our system.

Very attractive future prospects and income
possibilities.

If you live in the area,

If you are an excellent salesman, ambitious and
dynamic, please write under reference 75.1411 to
Centre de Promotion et de Sélection—
avenue Louise 304—B.1050 Brussels—Belgium.

Possibility of interview in London.

REINSURANCE — SOUTH AFRICA

Our Client, a major Lloyd's Insurance Brokers, requires a keen, aggressive man to set up a joint reinsurance broking operation with a leading firm of South African brokers. He must have the experience and proven past record to be able to produce new reinsurance business from the already available large number of high-class introductions. The successful candidate is likely to have had broking experience at high level.

This is a permanent position involving living and working in South Africa and previous experience of that country will be a definite advantage. The age range is 30 to 40 years. Salary, living conditions and general conditions of service are all in accordance with the importance of the position.

A Curriculum Vitae, which will be treated in strictest confidence, giving details of age, experience and current salary, together with a note of employers you do not wish to be approached should be forwarded in the first instance to:

Richard Chapman, Manager,
Insurance Personnel Selection Limited,
10, Avenue House,
6, Lloyd Avenue,
LONDON, EC2N 3ES

ACCOUNTING & AUDITING RESEARCH

£7,000+

A major international accounting firm is looking for an experienced Chartered Accountant to join their Accounting and Auditing Research Department. It is likely he will be based in London. This is an expanding department providing a service to all their offices in the UK. Initially responsibilities will include the development of a series of publications designed to assist the partners and senior members of the firm in keeping abreast of day-to-day developments in the accounting profession. In addition to these responsibilities there will be involvement as part of the research department team in other research projects. The applicant should have sound professional

experience in accounting, auditing and the related law, and should have had a minimum of 5 years' post qualifying professional experience. He must be confident of assuming considerable personal responsibility. Some editorial or literary experience would be advantageous. Salary from £7,000 depending on experience. (Ref. H1153/FT)

REPLIES will be forwarded direct unopened and in confidence to the client unless advised to our Secretary Manager (filing firms to which they may not be sent). They should include comprehensive career details, not refer to previous correspondence with PA and quote the reference on the envelope.



PA ADVERTISING LIMITED,
2 Albert Gate, London SW1X 7JU. Tel: 01-235 6060

Management Through Finance

from £7,000

Cost and management accounting, however sophisticated, is never an end in itself: it is a means to more effective management and more profitable performance. This is why, when Pedigree Petfoods recruit a senior financial man, we are looking for much more than a first-class accountant; we are looking for a broader management contribution of a high order.

As our Cost Accounting Manager, probably aged around 30, you will have key responsibilities both at our established Melton Mowbray plant and at our new, expanding Peterborough location. In the high volume, competitive margin prepared petfood industry, effective cost control is one of the most significant factors affecting profitability, and we shall expect you to devote considerable time and energy to reviewing and improving the systems under your control, with full awareness of the wider



Pedigree Petfoods
A Division of Mars

business implications.

We place a high value on management flexibility, and career development opportunities could well arise outside our financial function. One thing is certain: an impressive performance in this role will open the door to more senior positions in the company or elsewhere in the international Mars group.

Pedigree Petfoods itself is a company of 2,500 employees, with an annual turnover approaching £90m. We are leaders in our market, with a distinctive and enlightened management style. Our location in Melton is particularly attractive: there is a wide choice of moderately priced housing in both rural and urban areas, and we will assist generously with relocation. In fact our entire benefits package is well above average. The starting salary is negotiable, but will be not less than £7,000.

Please write briefly, or ring for more written information and an application form to:
Ian Davies, Management Recruitment Manager, Pedigree Petfoods Limited,
Melton Mowbray, Leicestershire, LE13 1BB. Tel: Melton Mowbray 4141.

ACCOUNTANTS

A Front-Line Role in Contract Negotiation

up to £6,300

Every year, the Ministry of Defence places contracts worth around £1000 million. Many of them are for advanced and complex equipment, and many are non-competitive. All are negotiated under the scrutiny of the Ministry's Procurement Executive accountants.

These accountants are not simply producing and presenting facts and figures. They are actively involved in business decision-making, and carry a higher level of personal responsibility than the average accountant in private practice, since the individual contracts under each accountant's control can run into millions of pounds in value. They can involve personal negotiation with senior management in major industries— aerospace, shipping, electronics. And the accountant's recommendations on pricing, terms, and choice of contractor always have a significant impact on vital national expenditure.

In career terms these are very much development opportunities. After

two successful years as a Senior Accountant, during which you can acquire substantial business experience and formal training, you will be in line for promotion to Chief Accountant on a salary up to £7,850.

To apply you must be a Chartered, Certified, Cost and Management, or Public Finance Accountant, with appropriate experience, who is ambitious, commercially oriented and keen to work hard.

Appointments—normally as Senior Accountant for those aged 27 or over—are pensionable and can be permanent, for a fixed period, or (in appropriate cases) on secondment terms.

For further details and an application form write to Civil Service Commission, Alencon Link, Basingstoke, Hants, RG21 1JB, or telephone Basingstoke (0256) 68551 (answering service operates outside office hours) or London 01-839 1992 (24 hour answering service). Please quote ref G(6)5901.

Ministry of Defence

Management Accountant

£5000 plus

East Africa

Bookers Agricultural & Technical Services Limited provide management and technical expertise to sugar estates and other agricultural projects around the world. Bookers McConnell and subsidiary companies have some 30,000 employees, assets of £60 million and a turnover of £285 million.

A major sugar estate in East Africa requires a management accountant who will prepare financial projections, consolidate annual budgets, prepare monthly management accounts and monitor performance against

budget. Willingness to transfer to other overseas assignments on completion of an eighteen-month tour is highly desirable.

Candidates should be qualified accountants, ideally within the age range 35 to 45 years, and have previous overseas commercial accountancy experience.

An attractive overseas salary according to experience, including cost of living allowances, clothing, disturbance and education allowances and family passages, car allowance, medical scheme, life insurance and free housing will apply to this pensionable position.

Applicants should write, sending detailed curriculum vitae and availability for interview and employment, quoting reference B.73, to:
E B Williams, Bookers Agricultural & Technical Services Limited, Bucklebury House, 83 Cannon Street, London EC4N 3EJ.



BOOKER
McCONNELL

ACCOUNTANT

City Merchant Bank requires a qualified accountant, in addition to responsibility for the day to day accounting function, the accountant will be involved in the control procedures of the Bank. Experience of bank accounting would be an advantage; more important, however, will be an understanding of internal control principles. Languages would be useful.

The accountant will report to the Financial Controller. He will also work in close co-operation with all departments of the Bank.

Prospects for advancement are good with a growing organisation. Salary will be c.£4,000. Please reply to Box No. T 4171, Financial Times, 10, Cannon Street, EC4P 4BT.

MERCHANT BANK requires qualified A.C.A. in his 20s for its investment trust department. Suitable candidates should have previous city experience including Audit, Investment, Taxation, etc. Salary c.£5,000—White Box T, 4175, Financial Times, 10, Cannon Street, EC4P 4BT.

INSOLVENCY SPECIALISTS at all levels are required for major London practices up to £5,000 p.a. + Contact: Brian Ingram M.A. (Ref. C103).

P.A. TO PARTNER up to £4,500 p.a. An expanding medium sized N.I. practice requires a P.A. to one of its senior partners. Should be from one of the 'Top Twenty' firms and be A.C.A. or similar. Part-time prospects (Ref. C102). Contact: Brian Ingram M.A., Newmarket House Limited (Consultants), 116, Newmarket Street, E.C.1. 01-6068 7351.



The Stock Exchange

Financial Systems Development

£7,000 — £10,000

In a development with important ramifications throughout the City, the Stock Exchange is totally revising the basis of its accounting and information systems. The project is code named "TALISMAN".

An exceptionally able Accountant is required to play a leading part as one of four team leaders reporting to the Director of "Talisman". He will supervise four Financial Managers with banking, broking, systems and audit experience. The team will ensure that controls are maintained and that the system will produce the optimum management information.

The team leader will also liaise with the audit profession, major banks and stockbrokers, ensuring their understanding and acceptance of the fundamental innovations taking place. This is an opportunity to become well known and respected in the City.

Probably aged 28-32, applicants should be Chartered Accountants with major firm audit experience to manager level in their current or previous position. This is a creative and intellectually demanding position. Please telephone or write to David Hogg, A.C.A., who is advising on this position.

E.M.A. Management Personnel Ltd.,
Halter House, 20/22 Holborn, London, E.C.1.
01-405 5382/3.

Property Banking & Administration

A major City financial institution with diverse international interests has vacancies in property banking, servicing multi-million pound portfolios well spread over leading residential builders and developers. The work, which is demanding and highly responsible, provides the necessary basis for a sound and challenging career.

Those appointed will join experienced teams of professional men engaged in exacting assignments. They will require skill in financial analysis, report writing and viability studies and should have the personal qualities necessary for direct dealing at a senior level. Experience of the UK property scene would be an advantage.

Applicants should be qualified A.C.A. aged not less than 25, or bankers with lending or securities experience of similar minimum age and preferably studying for or qualified A.I.B. Older men with appropriate experience will also be considered.

An attractive salary will be paid, together with a non-contributory pension and the prospect of assisted house-mortgage, and other benefits.

Please telephone:-
Bryan Tomkinson (Personnel Manager)
01-623 3020 (day) or Weybridge 42042 (evenings).

Manager

Finance and Control for New Merchant Bank

Up to £10,000

As announced recently in the Press, the Saudi Arabian Monetary Agency and a consortium of major international banks intend to establish an independent merchant bank in the City. A Manager is sought for the Finance and Control Division of the new Bank who will have responsibility for all accounting, internal audit and taxation matters. He will report to senior management and be particularly concerned with:

- the production of periodic reporting statements for local management and statutory returns for the Bank of England;
- the development and implementation of appropriate accounting and internal audit standards and systems;
- assisting in the development of operating procedures.

Applicants must be qualified accountants and should be able to demonstrate several years' successful experience in a senior management role in the areas of financial planning and control in the banking industry. Such experience should include a thorough knowledge of the accounting aspects of international transactions.

The company offers a base salary of up to £10,000 p.a., plus normal banking benefits. Please write in the first instance, and in confidence, to Edgar C. Felton, care of Morgan Guaranty Trust Company, 33 Lombard Street, London EC3P 3BH.

Financial Controller/ General Manager Designate

South East Midlands c.£5,500

This subsidiary of a leading independent group with diverse interests in the food industry, offers an outstanding opportunity to an accountant aged 28+, who has in-depth experience in the wider aspects of financial management and the flair and foresight to succeed in general management. Initially he will report to the General Manager and hold responsibility for the refinement of all financial and administrative matters to give non-financial managers a wider appreciation of the business operation through a responsive information system, and his personal involvement in their problems, leading him ultimately to have direct responsibility for the operating unit. Remuneration package, which includes relocation expenses, and prospects within the group are excellent. Please write or phone in confidence for personal history form to A. Vinton, quoting ref. 3506/FT.

Hoggett Bowers
& Partners Ltd

Executive Search and Selection Consultants.

Albany House, Hurst Street, Birmingham B5 4BD. Tel: 021-622 2961. Offices also in Bristol, Glasgow, Leeds, London, Manchester, Newcastle, Sheffield, Melbourne and Sydney.



PA EXECUTIVE LINE

Contracts Finance Co-ordinator

Petrochemical Industry
Central London

up to £8,000

Telephone 01-635-1535 for recorded information on this appointment, reporting your name and address if you would like a transcript and application form. Alternatively write to PA Advertising (Executive Line).



2 Albert Gate, Knightsbridge, London SW1X 7JU.

GENERAL APPOINTMENTS

INTERNATIONAL BANKING OPPORTUNITIES

ASSISTANT INSPECTORS

A major British International Bank has vacancies for Assistant Inspectors.

Applicants should be under 35, and ideally with the following qualifications and experience.

- Internal bank auditing (administration or lending), preferably with an Overseas Bank.
- At least five years' relevant experience.
- Knowledge of one other major European language.
- Appropriate professional qualifications preferred.

Successful candidates will help ensure that the branches, departments, offices and subsidiary companies of the Bank in the 37 countries where it is represented are operating in accordance with laid down policies and established practices.

They will be London based, but can expect to spend a considerable part of the year travelling abroad. These appointments could lead to other Executive positions in the organisation both at home and overseas.

Starting salaries will be around £5,000 plus London Allowance of £402 p.a. (under review) and substantial non-taxable travel allowances. Benefits and conditions are excellent.

If you are looking for greater opportunity and the chance to travel please send your full career details to:

J. B. Burden,
Bartlett Jeffress Advertising,
23-28 Fleet Street,
London, EC4Y 1NE.

Letters will be sent to our client unopened unless addressed to the Security Manager indicating companies to whom they should not be forwarded.

Bartlett Jeffress Advertising

LEASING MANAGER

Schroder Finance Limited is the industrial and commercial leasing and hire purchase associate of Merchant Bankers J. Henry Schroder Wagg & Co. It is seeking an executive to play an important role in the development and expansion of the business.

The company employs a staff of fifty and concentrates its activities in non-consumer leasing and hire purchase. The Leasing Manager will be directly responsible to the Managing Director for the negotiation and implementation of complex financing agreements. In addition he will take part in the overall development of the company and help to shape its future business.

Experience in the leasing and hire purchase industry is essential, and a knowledge of the relevant legal implications should be based either on a formal qualification or some years of practical application.

The appointment should appeal to an executive aged 28-35, to whom the promotion prospects will be apparent. Salary is negotiable for the right man, with a company car, and the usual company fringe benefits. Offices are located in Harrow, and relocation costs will be met where necessary.

Please write in confidence to M. J. Matthews, Selection Thomson and Day, the consultants retained to advise on the appointment, at 41, Pall Mall, London, SW1Y 5JG.

SELECTION THOMSON + DAY

Mining Engineer

For long established private Iranian mining house require mining engineer, preferably with several years of underground mining experience. Excellent salary, living conditions, plus other benefits. Owing mine location, probable residence in major Iranian city. Exceptional opportunity with an exceptional fast expanding company in an exceptional fast expanding country.

Write in fullest confidence to Box No. E5416, Financial Times, 10, Cannon Street, EC4P 4BY, enclosing Curriculum Vitae

LONG AND MEDIUM GILT SPECIALIST

Leading firm of Stockbrokers seek to recruit an experienced and successful Salesman to join an established team in this market. The successful candidate will already have a reputation with Institutional investors for his technical knowledge and his ability to service important clients.

This is a senior appointment and a substantial salary and profit sharing is available to the right candidate. Reply or telephone in confidence, quoting ref. 774. All replies will be forwarded direct to our client. Please indicate in a covering letter any firms to whom you do not wish to apply.

W. L. TAIT,
TOUCHE ROSS & CO.
Management Consultants,
Executive Selection Division,
27 Chancery Lane,
London, WC2A 1NF.
Tel: 01-402 4431.

INVESTMENT ANALYST

We are a medium sized Stockbroking firm with an established reputation for our research work. We are looking for a man, probably in his mid-twenties with a couple of years' experience behind him—this may have been gained either with an Institution or Stockbroker.

The usual talents, a flair for writing, and the ability to communicate ideas effectively, will be accompanied by the ability to become part of a closely knit team of analysts in the consumer area and by a desire to establish himself as a sector specialist.

A good salary plus bonus is envisaged for the successful applicant. Apply Box No. T.4173, Financial Times, 10, Cannon Street, EC4P 4BY.

GENERAL APPOINTMENTS

ALSO APPEAR
TO-DAY
ON PAGES 33
AND 34

SIMON

GROUP TREASURER

NORTH WEST

Simon Engineering Limited, a public company with a turnover of £150 million and a wide range of industrial and trading activities in the UK and overseas is seeking a Treasurer who will take responsibility for:

- developing financial strategies dealing with financial institutions
- co-ordinating the financing operations of the companies in the group

The Treasurer will be in charge of a small head office team which is already developing expertise in foreign currencies.

Applicants should desirably have some commercial/industrial experience, preferably with involvement in exporting and contract financing. Preferred age 30-35.

Salary and other benefits (including the use of a company car) will be in keeping with the importance of the job.

Brief application stating age, experience and present salary should be addressed to:-

H. R. Sykes, Finance Director, Simon Engineering Ltd., Bird Hall Lane, Stockport.

Seasoned Management Consultants

Ultimately for line management

■ Most management consultants see themselves on the road to line management responsibility—but the transition rarely occurs easily. Here is an opportunity to join a major, diversified industrial group of over 200 companies and, totally solid in performance, profit and prospect, anxious to use its own internal consultancy unit as a breeding ground for top management.

■ The unit is already well established and successful. It is now creating posts for regional managers who will each have a major, multi-company sector of the group to serve, diagnosing problems and allocating and supervising work of consultant teams. The problems will be varied in detail—specialists already offer computer systems, O.R., industrial engineering and management accounting expertise. The right men will be able to offer a specialist skill and, more importantly, to demonstrate a broad and successful business background, acceptable at managing director level.

■ To give balance to the unit, which operates with a participative flavour, it is likely that the two most suitable candidates will have a specific background in: (a) management accounting; (b) systems development.

■ They will be aged between 35 and 40, qualified, and able to show a record of success with a major consultancy, in diagnostic, selling and supervisory work. The jobs are based in the Midlands and carry a salary of £8,000-£9,000 (more for the exceptional), plus car and excellent big company fringes. Write to Terry Ward quoting Ref. 1590/FT if your background is (a), Ref. 1591/FT if your background is (b).

LCM

Leslie Coulthard Management
Brettenham House, 14 Lancaster Place,
London WC2E 7LJ Tel: 01-240 1605

Export Director- Scotch Whisky

World-Wide Potential ca £10,000

One of the developing independent whisky groups is looking for an Export Director. This is an important high-level appointment and previous experience of wine and spirit international marketing is essential. No specific age limits—ability, experience, energy and resourcefulness are more important. British nationality. Location Scotland. Considerable travelling, particularly to the USA.

Write in confidence giving personal, career and salary details to J. R. Kilmartin, Managing Director, at the address below. Please note any companies to whom we should not send your application and quote ref. RR.41.

ROYDS

Royds Recruitment Limited, Royds House, Mandeville Place,
London W1M 6AE, Tel. 01/935 7733 Telex. 21543 (Lucidads Ldn)

COMPANY SECRETARY

Leading firm of Stockbrokers, recently incorporated, require Company Secretary. He will be responsible for the management of premises, telephone systems, catering, and general services, and in addition will deal with the Company's legal secretarial requirements and Board Minutes.

The successful candidate will preferably be qualified and have had both secretarial and administrative experience, and is likely to be in the age bracket 35-50.

Salary £5,000 plus profit share.

Please reply in confidence to the Managing Director, Box T.4139, Financial Times, 10, Cannon Street, London EC4P 4BY.

Leading Australian Stockbroker

requires

INSTITUTIONAL ADVISOR

Age 25/35, with at least 5 years' stockbroking experience and proven Institutional Business. Salary by negotiation but in excess of £5,000 p.a. plus bonuses and fringe benefits.

Apply with curriculum vitae to Box E.5418, Financial Times, 10, Cannon Street, EC4P 4BY.

WANTED

REPRESENTATION PUBLIC RELATIONS U.S.

Seasoned executive with top 20 firm heading New York operation seeks permanent association with European organisation acquiring or expanding U.S. interests. Broad corporate counsel, financial and international communications experience. Presently employed seeking new challenge requiring responsibility independent initiative. Box No. P.201, Financial Times, 10, Cannon Street, EC4P 4BY.

Find your place in British Gas

RESEARCH ANALYST

Holborn up to £4968

British Gas are now looking for a Research Analyst to join them in Holborn.

You will assist the Principal Research Analyst in the preparation of recommendations for investment by the Central Funds of the Gas Industry's Pension Schemes. This will involve continuous monitoring of equity and other investment sectors, as well as close scrutiny of the financial press, brokers' circulars etc. You will also be expected to prepare both industry and company reviews, visiting companies regularly as necessary.

'A' levels in Economics and English are essential and you must have a high standard of literacy and numeracy. A degree in Economics would be a decided advantage and relevant experience should include work in a stockbrokers or the investment department of a large institution.

Starting salary is in the range £3553-£4566 plus £402 London Weighting and you will enjoy generous large organisation benefits.

Please write with full details of age, qualifications and experience to the Senior Personnel Officer (HQ), British Gas, 59 Bryanston Street, London W1A 2AZ, quoting reference F:009/3271. Closing date for applications 3rd July.

BRITISH GAS

ROBSON COTTERELL LIMITED

MEMBERS OF THE STOCK EXCHANGE

Conducting substantial business with private, professional and institutional clientele invite applications for the following appointments arising from development and management succession programmes.

FINANCIAL/ADMINISTRATION—A new senior appointment. Financial/statistical controls, S.E. returns, overall administration including staff selection/motivation. The ideal candidate would be a Member, qualified Accountant with experience of corporate/personal, financial/tax planning.

DEALER—Direct dealing with Jobbers by telephone. Experience in handling institutional business essential.

INVESTMENT ADVISER—Private and/or Institutional.

ANALYST—Preferably with institutional connections. Preparation of material for external/internal circulation.

Market display price screens installed.

Excellent prospects which could lead to Board appointments.

Contributory Pension Scheme.

Applicants, preferably under 40, should send brief curriculum vitae in strictest confidence, with indication of remuneration required to:

The Secretary,
Bourne Chambers, St. Peters Road, Bournemouth.

Pensions Manager

- To direct and control policy, planning and administration of all benefit programmes for a major UK manufacturing Group.
- Preferred age: 30's.
- Location: London.
- Salary Indicator: over £7000 plus car.

Telephone Trevor Lee on 01-204 0862 for a confidential discussion.

Executive Projects Limited, Shears House, 995 High Road, London N12.

Executive Projects Limited

CHIEF EXECUTIVE

THE OPPORTUNITY—The Challenge

- (1) To alter the posture of a publicly quoted engineering group into an adventurous and successful organisation with a small head office in London;
- (2) To extract £1.5 million minimum pretax profits from existing sales of £20+ million of industrial products;
- (3) To develop existing and introduce new activities to provide £50 million sales before 1980.

THE EXECUTIVE—A Leader

- (1) With demonstrable success in his current appointment;
- (2) With experience in:
 - (a) Marketing an engineering product internationally;
 - (b) Controlling a group of companies, possibly as Divisional M.D. of a large industrial holding company;
 - (c) Setting up and running overseas operations;
 - (d) Negotiating manufacturing and marketing licences, joint venture activities, acquisitions and mergers.

Candidates, aged 40/55, wishing to be considered for this appointment must disclose the fullest details of their career to date which will be treated in the strictest confidence. Remuneration will be in the range £15/20,000 p.a. Replies should be addressed to the Chairman Box T.4160, Financial Times, 10, Cannon Street, EC4P 4BY.

Indecisive in dull trading: off 0.78 Gain for £

BY OUR WALL STREET CORRESPONDENT

NEW YORK, June 18.

PRICES MOVED indecisively most of the session in dull trading on the New York Stock Exchange, with the Dow Jones Industrial Average ending at 2,116.15, down 0.78 points from 2,117.93.

After opening a further 6.02 down at 2,123.39, the Dow Jones Industrial Average recovered to 2,117.93, a net loss of 0.78. The NYSE All Common Index ended another 10 cents, to 1,491.15, while the NYSE Composite Index dropped 0.02 to 1,491.15. Trading volume dropped 8.33m shares to 13.53m.

Analysts recently have warned that the expected second half economic recovery will be slow and that second quarter earnings reports may be disappointing.

The Stock Exchange showed no apparent reaction to the narrowing of the U.S. balance of payments deficit in the first quarter, reported by the Commerce Department, while a rise in U.S. Personal Income in May had negligible impact on shares.

Procter and Gamble dropped \$2 to \$92 on a Federal Trade Commission investigation into the detergent industry.

G. D. Searle dipped \$1 to \$151 on 1975 shares.

Southern Co. edged up \$1 to \$121 on 362.50 shares, following plans for a public offering of 11m. Common shares at \$12.50 each.

Steels and Motors were narrowly mixed.

In Oils, Exxon fell \$1 to \$88.10, while Mobil Oil rose \$1 to \$90.10. White House postponement of implementing an earlier decision to cut oil prices.

Sony put on \$1 to \$111 on a block of 100,000 shares.

Ryan Homes, the most active issue, dipped \$1 to \$18 on a volume of 38,100 shares.

Valley Industrial were off \$1 to \$181 but Syntex were up \$1 to \$39.

The American SE Market Value Index moved up 0.37 to 39.47, although declines outnumbered advances by 335 to 275.

OTHER MARKETS

Canada up again

Canadian stock markets gained further slight ground in light trading yesterday.

The Industrial Share Index rose 0.22 to 186.42, Base Metals 0.05 to 72.38, and the All Share Index 0.10 to 130.33.

Utilities 0.47 to 130.33, and Banks 0.03 to 263.95. But Golds shed 0.41 to 41.28 and Papers eased 0.32 to 108.62.

PARIS—Market continued to move lower, discouraged by the Bank of France's report on the French economy and also by the absence of any factors which might stem the present drift downwards.

Average portfolio, Foods, Breweries, Stores, Chemicals and all fell back. Oils were mixed, while there was some firmness in Electricals.

American, German, Dutch and Canadian Oils were lower. Canadian and Coppers mixed, while Golds were firmer.

AMSTERDAM—Market fell virtually across the board on lack of interest, with a little selling sufficient to depress prices.

STOCK AND BOND YIELDS

U.S. STOCK INDICES
STANDARD AND POORS

June 18 1975
DOW JONES AVERAGES

June 18 1975
DOW JONES AVERAGES

June 18 1975
DOW JONES AVERAGES

June 18 1975
DOW JONES AVERAGES

June 18 1975
DOW JONES AVERAGES

June 18 1975
DOW JONES AVERAGES

June 18 1975
DOW JONES AVERAGES

June 18 1975
DOW JONES AVERAGES

June 18 1975
DOW JONES AVERAGES

June 18 1975
DOW JONES AVERAGES

June 18 1975
DOW JONES AVERAGES

June 18 1975
DOW JONES AVERAGES

June 18 1975
DOW JONES AVERAGES

June 18 1975
DOW JONES AVERAGES

June 18 1975
DOW JONES AVERAGES

June 18 1975
DOW JONES AVERAGES

June 18 1975
DOW JONES AVERAGES

June 18 1975
DOW JONES AVERAGES

June 18 1975
DOW JONES AVERAGES

June 18 1975
DOW JONES AVERAGES

June 18 1975
DOW JONES AVERAGES

June 18 1975
DOW JONES AVERAGES

June 18 1975
DOW JONES AVERAGES

June 18 1975
DOW JONES AVERAGES

June 18 1975
DOW JONES AVERAGES

June 18 1975
DOW JONES AVERAGES

June 18 1975
DOW JONES AVERAGES

June 18 1975
DOW JONES AVERAGES

June 18 1975
DOW JONES AVERAGES

June 18 1975
DOW JONES AVERAGES

June 18 1975
DOW JONES AVERAGES

June 18 1975
DOW JONES AVERAGES

June 18 1975
DOW JONES AVERAGES

June 18 1975
DOW JONES AVERAGES

June 18 1975
DOW JONES AVERAGES

Sentiment was dampened by lower overnight Wall Street prices, renewed belief in the chance of an economic recovery, and also by the report of the increased Dutch budget deficit.

Bonds lost around 1/8 to 1/16 on an official announcement that the 1975 State Budget deficit would reach Frs.10bn.

Instead of the original estimate of Frs.4.5bn.

BRUSSELS—Most shares declined during calm trading.

In lower Steels, Arbed were off \$1 to \$11.50, while the NYSE All Common Index ended another 10 cents, to 1,491.15.

In easier Metals, Union Miniere declined Frs.18 to 1416, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

Fr.20 to 2,130, and Asturienne Frs.20 to 2,130.

STOCK EXCHANGE REPORT

Equity leaders drift down in extremely quiet trading
Share index down 4.6 at 326.0—Golds improve

Account Dealing Dates

*First Declared Last Account Dealings from Dealings Day
Jun. 2 Jun. 12 Jun. 13 Jun. 24
Jun. 16 Jun. 26 Jun. 27 July 8
Jun. 30 July 10 July 11 July 22
New time dealings may take place from 9.30 a.m. two business days earlier.
With interest restrained pending the outcome of the crucial railway pay negotiations, business in stock markets was down to a trickle yesterday. Apart from short-dated stocks which ended a fraction higher, British Funds were barely tested and closed without alteration. In contrast, leading industrials drifted downwards on scattered small offerings and, with buyers still extremely reluctant, the FT 30-share index gradually eased to close at 326.0, making a loss of 4.6 over the last three trading days.

Elsewhere, a handful of companies making trading statements provided the main source of interest. Breweries provided contrasting features in response to better than expected interim figures, and Whitbread "A" 41 to 58p on dividend payment, with the results. Other noteworthy movements included Avon Rubber, 14 lower at 42p on the half-time loss and interim dividend omissions.

Overall, the trend was to slightly lower levels, but price changes were few and far between. The fact that our Active Stocks list included a couple of stocks in which only five bargains were recorded yesterday's slack trading conditions.

British Funds idle

Awaiting news of the resumed rail talks, even less interest was being shown in British Funds than on Tuesday. Perhaps encouraged by the steadier course

of sterling, short-dated issues made some small improvement but after-hours were looking a shade easier, a tendency which then became evident in the medium and long. Treasury 3½ per cent. 1979/81, exceptionally rose ¼ to 73½ on demand from surtax payers dealing clean of dividend ahead of the ex dividend date.

Early offerings released by overnight U.S. activity in gold shares initially lowered the investment currency premium to 88½ per cent., but at this level demand revived and the rate improved rather quickly in this trading to close a net 34 points up at the day's highest of 92½ per cent. U.S. stocks were dull, IBM losing 8 to 14½ in line with overnight Wall Street, while Barclays and Midland declined 2 to 233 in Foreign banks. Hambros hardened 5 to 170p in little-changed Merchant banks. Cattle's (Holdings) were unmoved at 23p despite the slightly better-than-expected interim results.

Banks down again

From the start of business the big four banks continued their downward drift as buyers continued to wait on the sidelines until the outcome of the rail-pay negotiations. Closing at the day's lowest with falls of 10 were Lloyd's and National Westminster both at the common level of 250p, while Barclays and Midland were similarly cheaper at 265p and 285p respectively. Bank of Scotland remained friendless at 250p, however, issues perked up, however, improvements of 4 and 3 respectively being seen in Allied Irish, 116p, and Bank of Ireland, 44p. Hong Kong and Shanghai declined 2 to 233 in Foreign banks. Hambros hardened 5 to 170p in little-changed Merchant banks. Cattle's (Holdings) were unmoved at 23p despite the slightly better-than-expected interim results.

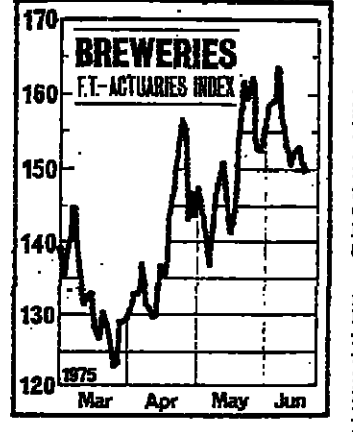
Composite Insurances closed

easier throughout on lack of sup-

Commercial Union, 172p

and Guardian Royal Exchange, 207p, both eased 2.

News items provided the main source of interest in Breweries. Arthur Guinness formed 6p to 112p, after 113p, following the better-than-expected interim



figures, but a disappointing set of preliminary results brought about a late reaction of 41 to 58p in Whitbread "A". In Distilleries Distillers shed 1 to 136p, Long John International shaded 2 to 170p, awaiting further news from Whitbread on the bid situation, but Invergordon hardened a penny to 267p following the results.

Marchwell provided a bright spot in Buildings at 52p, up 4. Aberdeen Construction hardened 2 to 197½, while Parkers Timber improved 3 to 36p. H. C. Jones ended unchanged at 126p, after 128p, following the preliminary

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times The Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS	Wednesday, June 18, 1975					Thursday, June 19, 1975					Friday, June 20, 1975					Saturday, June 21, 1975					Sunday, June 22, 1975					Monday, June 23, 1975					Tuesday, June 24, 1975					Wednesday, June 25, 1975					Thursday, June 26, 1975					Friday, June 27, 1975					Saturday, June 28, 1975					Sunday, June 29, 1975					Monday, June 30, 1975					Tuesday, July 1, 1975					Wednesday, July 2, 1975					Thursday, July 3, 1975					Friday, July 4, 1975					Saturday, July 5, 1975					Sunday, July 6, 1975					Monday, July 7, 1975					Tuesday, July 8, 1975					Wednesday, July 9, 1975					Thursday, July 10, 1975					Friday, July 11, 1975					Saturday, July 12, 1975					Sunday, July 13, 1975					Monday, July 14, 1975					Tuesday, July 15, 1975					Wednesday, July 16, 1975					Thursday, July 17, 1975					Friday, July 18, 1975					Saturday, July 19, 1975					Sunday, July 20, 1975					Monday, July 21, 1975					Tuesday, July 22, 1975					Wednesday, July 23, 1975					Thursday, July 24, 1975					Friday, July 25, 1975					Saturday, July 26, 1975					Sunday, July 27, 1975					Monday, July 28, 1975					Tuesday, July 29, 1975					Wednesday, July 30, 1975					Thursday, July 31, 1975					Friday, August 1, 1975					Saturday, August 2, 1975					Sunday, August 3, 1975					Monday, August 4, 1975					Tuesday, August 5, 1975					Wednesday, August 6, 1975					Thursday, August 7, 1975					Friday, August 8, 1975					Saturday, August 9, 1975					Sunday, August 10, 1975					Monday, August 11, 1975					Tuesday, August 12, 1975					Wednesday, August 13, 1975					Thursday, August 14, 1975					Friday, August 15, 1975					Saturday, August 16, 1975					Sunday, August 17, 1975					Monday, August 18, 1975					Tuesday, August 19, 1975					Wednesday, August 20, 1975					Thursday, August 21, 1975					Friday, August 22, 1975					Saturday, August 23, 1975					Sunday, August 24, 1975					Monday, August 25, 1975					Tuesday, August 26, 1975					Wednesday, August 27, 1975					Thursday, August 28, 1975					Friday, August 29, 1975					Saturday, August 30, 1975					Sunday, August 31, 1975					Monday, September 1, 1975					Tuesday, September 2, 1975					Wednesday, September 3, 1975					Thursday, September 4, 1975					Friday, September 5, 1975					Saturday, September 6, 1975					Sunday, September 7, 1975					Monday, September 8, 1975					Tuesday, September 9, 1975					Wednesday, September 10, 1975					Thursday, September 11, 1975					Friday, September 12, 1975					Saturday, September 13, 1975					Sunday, September 14, 1975					Monday, September 15, 1975					Tuesday, September 16, 1975					Wednesday, September 17, 1975					Thursday, September 18, 1975					Friday, September 19, 1975					Saturday, September 20, 1975					Sunday, September 21, 1975					Monday, September 22, 1975					Tuesday, September 23, 1975					Wednesday, September 24, 1975					Thursday, September 25, 1975					Friday, September 26, 1975					Saturday, September 27, 1975					Sunday, September 28, 1975					Monday, September 29, 1975					Tuesday, September 30, 1975					Wednesday, October 1, 1975					Thursday, October 2, 1975					Friday, October 3, 1975					Saturday, October 4, 1975					Sunday, October 5, 1975					Monday, October 6, 1975					Tuesday, October 7, 1975					Wednesday, October 8, 1975					Thursday, October 9, 1975					Friday, October 10, 1975					Saturday, October 11, 1975					Sunday, October 12, 1975					Monday, October 13, 1975					Tuesday, October 14, 1975					Wednesday, October 15, 1975					Thursday, October 16, 1975					Friday, October 17, 1975					Saturday, October 18, 1975					Sunday, October 19, 1975					Monday, October 20, 1975					Tuesday, October 21, 1975					Wednesday, October 22, 1975					Thursday, October 23, 1975					Friday, October 24, 1975					Saturday, October 25, 1975					Sunday, October 26, 1975					Monday, October 27, 1975					Tuesday, October 28, 1975					Wednesday, October 29, 1975					Thursday, October 30, 1975					Friday, October 31, 1975					Saturday, November 1, 1975					Sunday, November 2, 1975					Monday, November 3, 1975					Tuesday, November 4, 1975					Wednesday, November 5, 1975					Thursday, November 6, 1975					Friday, November 7, 1975					Saturday, November 8, 1975					Sunday, November 9, 1975					Monday, November 10, 1975					Tuesday, November 11, 1975					Wednesday, November 12, 1975					Thursday, November 13, 1975					Friday, November 14, 1975					Saturday, November 15, 1975					Sunday, November 16, 1975					Monday, November 17, 1975					Tuesday, November 18, 1975					Wednesday, November 19, 1975					Thursday, November 20, 1975					Friday, November 21, 1975					Saturday, November 22, 1975					Sunday, November 23, 1975					Monday, November 24, 1975					Tuesday, November 25, 1975					Wednesday, November 26, 1975					Thursday, November 27, 1975					Friday, November 28, 1975					Saturday, November 29, 1975					Sunday, November 30, 1975					Monday, December 1, 1975					Tuesday, December 2, 1975					Wednesday, December 3, 1975					Thursday, December 4, 1975					Friday, December 5, 1975					Saturday, December 6, 1975					Sunday, December 7, 1975					Monday, December 8, 1975					Tuesday, December 9, 1975					Wednesday, December 10, 1975					Thursday, December 11, 1975	
---------------	--------------------------	--	--	--	--	-------------------------	--	--	--	--	-----------------------	--	--	--	--	-------------------------	--	--	--	--	-----------------------	--	--	--	--	-----------------------	--	--	--	--	------------------------	--	--	--	--	--------------------------	--	--	--	--	-------------------------	--	--	--	--	-----------------------	--	--	--	--	-------------------------	--	--	--	--	-----------------------	--	--	--	--	-----------------------	--	--	--	--	-----------------------	--	--	--	--	-------------------------	--	--	--	--	------------------------	--	--	--	--	----------------------	--	--	--	--	------------------------	--	--	--	--	----------------------	--	--	--	--	----------------------	--	--	--	--	-----------------------	--	--	--	--	-------------------------	--	--	--	--	-------------------------	--	--	--	--	-----------------------	--	--	--	--	-------------------------	--	--	--	--	-----------------------	--	--	--	--	-----------------------	--	--	--	--	------------------------	--	--	--	--	--------------------------	--	--	--	--	-------------------------	--	--	--	--	-----------------------	--	--	--	--	-------------------------	--	--	--	--	-----------------------	--	--	--	--	-----------------------	--	--	--	--	------------------------	--	--	--	--	--------------------------	--	--	--	--	-------------------------	--	--	--	--	-----------------------	--	--	--	--	-------------------------	--	--	--	--	-----------------------	--	--	--	--	-----------------------	--	--	--	--	------------------------	--	--	--	--	--------------------------	--	--	--	--	-------------------------	--	--	--	--	------------------------	--	--	--	--	--------------------------	--	--	--	--	------------------------	--	--	--	--	------------------------	--	--	--	--	-------------------------	--	--	--	--	---------------------------	--	--	--	--	--------------------------	--	--	--	--	------------------------	--	--	--	--	--------------------------	--	--	--	--	-------------------------	--	--	--	--	-------------------------	--	--	--	--	--------------------------	--	--	--	--	----------------------------	--	--	--	--	---------------------------	--	--	--	--	-------------------------	--	--	--	--	---------------------------	--	--	--	--	-------------------------	--	--	--	--	-------------------------	--	--	--	--	--------------------------	--	--	--	--	----------------------------	--	--	--	--	---------------------------	--	--	--	--	-------------------------	--	--	--	--	---------------------------	--	--	--	--	-------------------------	--	--	--	--	-------------------------	--	--	--	--	--------------------------	--	--	--	--	----------------------------	--	--	--	--	---------------------------	--	--	--	--	-------------------------	--	--	--	--	---------------------------	--	--	--	--	-------------------------	--	--	--	--	---------------------------	--	--	--	--	----------------------------	--	--	--	--	------------------------------	--	--	--	--	-----------------------------	--	--	--	--	---------------------------	--	--	--	--	-----------------------------	--	--	--	--	---------------------------	--	--	--	--	---------------------------	--	--	--	--	----------------------------	--	--	--	--	-------------------------------	--	--	--	--	------------------------------	--	--	--	--	----------------------------	--	--	--	--	------------------------------	--	--	--	--	----------------------------	--	--	--	--	----------------------------	--	--	--	--	-----------------------------	--	--	--	--	-------------------------------	--	--	--	--	------------------------------	--	--	--	--	----------------------------	--	--	--	--	------------------------------	--	--	--	--	----------------------------	--	--	--	--	----------------------------	--	--	--	--	-----------------------------	--	--	--	--	-------------------------------	--	--	--	--	------------------------------	--	--	--	--	----------------------------	--	--	--	--	------------------------------	--	--	--	--	----------------------------	--	--	--	--	----------------------------	--	--	--	--	-----------------------------	--	--	--	--	----------------------------	--	--	--	--	---------------------------	--	--	--	--	-------------------------	--	--	--	--	---------------------------	--	--	--	--	-------------------------	--	--	--	--	-------------------------	--	--	--	--	--------------------------	--	--	--	--	----------------------------	--	--	--	--	---------------------------	--	--	--	--	--------------------------	--	--	--	--	----------------------------	--	--	--	--	--------------------------	--	--	--	--	--------------------------	--	--	--	--	---------------------------	--	--	--	--	-----------------------------	--	--	--	--	----------------------------	--	--	--	--	--------------------------	--	--	--	--	----------------------------	--	--	--	--	--------------------------	--	--	--	--	--------------------------	--	--	--	--	---------------------------	--	--	--	--	-----------------------------	--	--	--	--	----------------------------	--	--	--	--	--------------------------	--	--	--	--	----------------------------	--	--	--	--	--------------------------	--	--	--	--	--------------------------	--	--	--	--	---------------------------	--	--	--	--	-----------------------------	--	--	--	--	----------------------------	--	--	--	--	--------------------------	--	--	--	--	----------------------------	--	--	--	--	--------------------------	--	--	--	--	--------------------------	--	--	--	--	---------------------------	--	--	--	--	-----------------------------	--	--	--	--	----------------------------	--	--	--	--	--------------------------	--	--	--	--	----------------------------	--	--	--	--	--------------------------	--	--	--	--	---------------------------	--	--	--	--	----------------------------	--	--	--	--	------------------------------	--	--	--	--	-----------------------------	--	--	--	--	---------------------------	--	--	--	--	-----------------------------	--	--	--	--	---------------------------	--	--	--	--	---------------------------	--	--	--	--	----------------------------	--	--	--	--	------------------------------	--	--	--	--	-----------------------------	--	--	--	--	---------------------------	--	--	--	--	-----------------------------	--	--	--	--	---------------------------	--	--	--	--	---------------------------	--	--	--	--	----------------------------	--	--	--	--	------------------------------	--	--	--	--	-----------------------------	--	--	--	--	---------------------------	--	--	--	--	-----------------------------	--	--	--	--	---------------------------	--	--	--	--	--------------------------	--	--	--	--	---------------------------	--	--	--	--	-----------------------------	--	--	--	--	----------------------------	--	--	--	--	--------------------------	--	--	--	--	----------------------------	--	--	--	--	--------------------------	--	--	--	--	--------------------------	--	--	--	--	---------------------------	--	--	--	--	------------------------------	--	--	--	--	-----------------------------	--

HOTELS—Continued

[illegible]

[illegible]

"Recent Issues" and "Rights" Page 25

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £235 per annum for each security.

